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Daily Report

East Asia

FBIS-EAS-94-186
Monday
26 September 1994

Daily Report
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NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

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Further on ASEAN Economic Minister's Meeting

Progress of AFTA Tariff Reduction

BK2309125394 Bangkok THE NATION in English 23 Sep 94 pp B1, 2

[Text] Chiang Mai—Three years after its fanfare launch in 1991 Afta is really getting back on track in its drive to promote the free flow of trade within a combined market of 320 million potential consumers.

On Wednesday the Afta Ministerial Council, chaired by Finance Minister Tharin Nimmanhemin, took a systematic step, albeit mostly in an informal atmosphere, to deliberate a more ambitious tariff reduction programme aimed at creating a truly free trade area by Jan 1, 2003.

By doing so, the six-member Association of Southeast Asian Nations (Asean) has taken a bold step to cut back the original timeframe for completing the regional free trade area from 15 to 10 years. By that time the tariff rates of manufactured and agricultural products would be slashed to a maximum of 5 per cent. This new timeframe was the most important development to emerge from the Afta Council meeting. After an initial delay, Asean agreed to really mean business this time, rescheduling the tariff reduction programme of both the normal and the fast tracks.

Under the normal track, goods with tariff rates above 20 per cent will be brought down to 20 per cent by Jan 1, 1998, and subsequently from 20 per cent to a maximum of 5 per cent by Jan 1, 2003. The fast track sets out to reduce tariff rates above 20 per cent to a maximum of 5 per cent by January 2000, and to cut tariff rates at or below 20 per cent by Jan 1, 1998.

Equally significant was a resolution on the exclusion list, or the list of politically sensitive products set aside for temporary protection by individual member countries. There was a stronger commitment by Asean members to try to minimise the number of the products on the exclusion list.

Thailand's list is already short at a total of 118 products for temporary protection. The long exclusion lists of some other members, without a clear time-table to reduce them, has hampered the process of developing the regional free trade area.

Before chairing the Afta Council meeting, Tharin had sought a Cabinet mandate empowering him to deliberate the fate of Thailand's petrochemical sector. Despite being lobbied by this powerful grouping, Tharin did not take place petrochemicals on the exclusion list.

Malaysia, whose officials earlier indicated their intention to take hard wood and tobacco into the exclusion list, also responded positively to the attempt to quicken the Afta process by refraining from proposing to add more products to its list.

Under the new schedule, products on the exclusion list must be gradually phased in for tariff reductions in at least five equal installments of 20 per cent annually, within five years beginning Jan 1, 1995. The first installment is to be completed by Jan 1, 1996.

The second important element of the Afta Council meeting was a decision to widen its scope. Under Thailand's initiative, non-processed agriculture products were proposed for inclusion in the Afta scheme for the first time.

The ministers did not identify the agricultural products that will be immediately included or excluded for temporary protection, from the tariff reduction programme. They merely stated that a working group will be set up to review the agricultural products which will not appear on the exclusion list, for eventual phasing into the tariff reduction scheme.

By pushing agricultural products into the Afta programme, Thailand stands to benefit from the expected increase in its agricultural exports to the rest of Asean since it is a major food exporting country.

The third important element of the Afta Council meeting was a commitment to accelerate the Afta process through customs harmonization, an equally significant functional area. Without harmonization of tariff systems, customs procedures arid customs valuation, it would be extremely difficult and complicated for Asean to realize economic integration.

"There have been talks about customs harmonization in the past among Asean members, but nobody seems to take-it seriously," said a senior Thai official. "But now every member realizes that the functional area will have to be completed, otherwise it will become a drag on Afta."

The final element was an agreement to establish the Afta Unit within the Asean Secretariat by Jan 1, 1995. This unit, pushed forward by Tharin, will prove to have implications to the Afta process for it will coordinate and manage the operations and progress of Afta.

"I believe that once the Afta process gets going, hell will break loose. The procedures will be very complicated and it is necessary to have this Afta Unit to help facilitate the process," said a Thai representative.

At present, products included in the programme of tariff cuts account for about 85 per cent of the value of trade among the Asean countries. Asean, which is enjoying a fast-economic growth, hopes that with the Afta process gaining a new momentum, the region will enhance its competitiveness exports and become more attractive foreign investment.

No Consensus on APEC Trade Area

BK2409102794 Bangkok BANGKOK POST in English 24 Sep 94 pp 1, 2

[Text] Chiang Mai—ASEAN's economic ministers appeared yesterday to have accepted that they might not be able to agree on a common response to the proposal for the Asia Pacific Economic Cooperation (APEC) group to become a free trade area by 2020.

At the press conference concluding the ministers' annual meeting yesterday, they dropped the previously declared intention to have a common position on important proposals like the trade liberalisation.

This represents a marked shift from ASEAN's long-held position that the group should form the core of APEC, which also includes the United States, Canada, Mexico, China, Hong Kong, Taiwan, Japan, South Korea, Papua New Guinea, Australia and New Zealand.

Meeting sources said that a considerable amount of time was spent discussing the free trade proposal, which is contained in a report released last month by a group of "eminent persons" appointed by APEC to create a vision for the Asia Pacific's long-term future.

An early draft of the joint press statement that the ministers issued yesterday spoke of the ministers having discussed the report "at length". The reference was deleted in the final release and ministers took pains to play down the fact that ASEAN members view the proposal differently.

In order to satisfy Singapore, which is more in favour of free trade across the Pacific, the ministers even qualified their decision to recommend the disbanding of the eminent persons' group.

Thai Deputy Prime Minister Suphachai Phanitchaphak told reporters that the ministers decided the group had finished its work unless special circumstances required additional tasks. The group was appointed in 1992 and has reported twice to APEC, the first time before last year's APEC informal summit in Seattle.

Singaporean Trade and Industry Minister Yeo Cheow Tong said this was a condition Singapore could "live with".

The broad reservations ASEAN countries have with the APEC free trade proposal is reflected in the joint press statement which says the eminent persons' report is: "a useful reference" for member countries.

Dr Suphachai said ASEAN was interested in ideas for making regional trade more convenient but worried that the free trade proposals might deflect attention from other matters ASEAN considers to be priorities—particularly the implementation of the Uruguay Round agreements on world trade, the creation of the new World Trade Organisation, and the creation of AFTA's [ASEAN Free Trade Area—as published] own free trade area.

Meeting sources say some ASEAN members find the 2020 target could "create difficulties". They are worried that the report's recommendation for APEC to accommodate all trading arrangements within the region would lead to APEC eclipsing the ASEAN Free Trade Area. They fear that some provisions could lead to APEC becoming a trade bloc, and they are worried that proposals for a voluntary investment "concord" and dispute settlement service could make APEC too much of an established institution.

The two-day meeting of economic ministers ended yesterday with the signing of documents amending two ASEAN agreements.

One extended for two years permission for non-ASEAN investors to hold up to 60 percent of shares in promoted joint ventures. The local content required for qualification has also been dropped from 50 percent to 40 percent in order to conform with the regulation for the ASEAN Free Trade Area.

The other brought Indonesia into the scheme which allows components and final products of a single brand assembled within ASEAN to be traded in ASEAN at preferential duty rates.

Dr Suphachai, who chaired the meeting, acclaimed it as a major achievement because of the decision to speed up the creation of the free trade area now due to be completed in 2003, to drop exclusions by 2000, to eventually bring agriculture into the programme, to start work on cooperation in services and standardisation of intellectual property rights protection, and to start talks with other regional agreements—the North American Free Trade Agreement and the Australian-New Zealand Closer Economic Relation.

Australia has been keen to forge ties with AFTA and an Australian diplomat yesterday welcomed the ASEAN ministers' decision.

Indonesia's Coordinating Minister for Industry and Trade Hartarto meanwhile expressed optimism that ASEAN, if it accomplishes the free trade area as planned by the year 2003, will be strong enough to withstand an impact of any liberalisation, including those evolving from APEC.

"If we're strong enough, why worry?," he said.

Hartarto told reporters yesterday that the ASEAN economic ministers' meeting this time would only go as far as taking in the APEC's eminent persons' group report as "one of the inputs" for a decision to be reached at the APEC trade ministers' meeting in Jakarta next month.

Indonesia, he said, believes that expansion of free trade in the region would be beneficial and the only threat for this region is protectionism.

"If AFTA can be realised by the year 2003, then ASEAN would be strong enough, not only regionally, but globally... And as far as relations with APEC is concerned, we are going to discuss this in Jakarta," he said.

Speaking to reporters earlier, Dr Suphachai said Thailand first wants to see the agreements of the Uruguay Round of world trade talks implemented.

Although the round is concluded some countries are raising new issues as excuses for not abiding by the General Agreement on Tariffs and Trade (GATT) such as linking trade and workers rights. Thailand wants to see APEC handle these issues, he said.

As part of that objective Thailand wants to see the World Trade Organisation set up properly before deciding what kind of trade liberalisation measures should be undertaken in APEC.

Thailand, like other ASEAN countries, also wants to see actions under APEC that narrow the gap between APEC's developed and under- developed countries, and to see the gap narrowed before all APEC members play by the same rules.

Thirdly, Thailand wants to see APEC take actions that make trade more convenient—such as streamlining customs systems, Dr Suphachai said. So far little progress has been seen in these.

He added that as a whole Thailand is "indifferent" on the eminent persons group's report. Whatever liberalisation measures are proposed should come into effect slower than the global lowering of trade barriers under the Uruguay Round agreements, and should allow the ASEAN Free Trade Area to come into effect.

Indonesian Minister Comments

BK2409125094 Bangkok THE NATION in English 24 Sep 94 p A4

[Report by Wichit Chaitrong]

[Text] Chiang Mai—The Indonesian Coordinating Minister for Industry and Trade believes Asean will be strong enough to complete and to liberalize its trade with any country worldwide once Afta [ASEAN Free Trade Area] is fully implemented in the year 2003.

Minister Hartarto said the speeding up the Afta timeframe from 15 years to 10 years, the amendment of the exclusion list, which originally hindered implementation of the Common Effective Preferential Tariff Scheme (CEPT), and the immediate inclusion of unprocessed agricultural products in CEPT were the major successes of the 26th meeting of Asean Economic Ministers here.

Hartarto did not respond directly to questions about Indonesia's view of a report prepared by the Apec Eminent Persons Group [EPG], which recommended that the Asian Pacific Economic Cooperation (Apec) forum become a free trade area by 2020.

Malaysia is understood to object to the proposal, and as a result Asean ministers have failed to agree on a unified approach to the future of Apec. The free trade proposal will be discussed at the Apec Summit in November in Indonesia. Jakarta recently came out in favour of the 2020 proposal.

Hartarto said once Afta becomes fully functional in 2003, Asean could liberalize trade with any country. Asked whether Asean this would include the United States, Hartarto replied; "It is not a matter of which country (to open markets to)."

However, Hartarto raised concerns about the trend towards protectionism worldwide, which he said would be a threat to Asean countries. "Financial subsidies, not tariffs, are the new protectionist tool," he said. This was why Asean had supported the conclusion of the Uruguay Round of trade negotiations.

Although Asean's breakthrough agreement to include unprocessed agricultural products into the Afta tariff reduction scheme was positive, there were still difficulties over certain items. Rice would be a sensitive issue, Hartarto said. The setting up of a working group on service liberalization was also a new direction for Afta, he said. When trade was liberalized it would naturally be followed by other sectors such as services, telecommunications and transport.

Preparations for creating linkages with Australia, New Zealand and the North America Free Trade Area (Nafta) constituted a new step toward economic cooperation with countries outside Asean, he said.

While Asean ideas differed from the recommendations of the Eminent Persons Group, the economic ministers had not been able to agree to a joint policy on the issue, but it would be discussed later in Jakarta before the Apec leaders' summit in November.

Asked if Indonesia was comfortable with the EPG's report saying there would be free trade by 2020, he said Indonesia was using it as a reference.

On the possibility of bringing Vietnam into Apec, he said that was a matter for Apec ministers, not Asean ones.

Thai Official on ASEAN Secretariat

BK2409124794 Bangkok BANGKOK POST in English 24 Sep 94 p 2

[Report by Wichit Sirithawiphon and Somphon Thaphanachai]

[Text] Chiang Mai—Deputy Prime Minister Suphachai Phanitchaphak proposed yesterday the ASEAN secretariat in Jakarta should serve as an "information clearing house" to improve coordination between the group's economics and foreign affairs ministers. He stressed that the economic ministers' complaint about not being consulted by the foreign ministers did not imply that the foreign ministers should keep out of economic issues. He said economic ministers acknowledge that politics and economics are intertwined and been productive in setting up business councils involving ASEAN and its trading partners. He said economic ministers are seeking is closer cooperation, more consultation and a clearer structure for cooperation.

Dr Suphachai was clarifying a decision by the economic ministers on Thursday to ask him, as their chairman, to write to the chairman of the ASEAN foreign ministers seeking better coordination on economic issues. One official said the letter is being drafted by the ASEAN secretariat.

Dr Suphachai repeated yesterday economic ministers were unhappy about the lack of consultation with them over an upcoming meeting of the ASEAN-European Union Business Council in Stuttgart—a meeting ASEAN foreign ministers will attend. He argued economic ministers should have been consulted before the business council meeting because the wrong signals regarding foreign ministers' information might be sent to participating investors.

Dr Suphachai also said ASEAN economic ministers are unhappy about ASEAN secretary general Ajid Singh's departure from Chiang Mai before the end of their annual meeting.

He flew to Germany to attend the annual ASEAN-EU meeting—a foreign ministers' event—in Karlsruhe. The business council meeting in Stuttgart immediately follows the Karlsruhe meeting.

Dr Suphachai complained foreign ministers had not consulted their economic counterparts for the ASEAN-EU meeting. He said although economic ministers had tried to initiate talks with the former European Community, the Europeans preferred the foreign ministers' forum where the emphasis is on diplomacy rather than controversial trade issues.

ASEAN economic ministers said some group members were not prepared to react to a proposal on trade liberalisation in the Asia Pacific Economic Cooperation (APEC) group.

Representatives of Malaysia and Brunei said they were representatives of their country at APEC anyway. [sentence as published]

Japan-ASEAN Meeting Held in Thailand 24 Sep

Annual Trade Meeting Opens

OW2409051094 Tokyo KYODO in English 0444 GMT 24 Sep 94

[By Keiji Urakami]

[Excerpt] Chiang Mai, Thailand, Sept. 24 KYODO—Japan and the Association of Southeast Asian Nations (ASEAN) kicked off their annual trade meeting in Chiang Mai, Thailand, on Saturday [24 September] and ASEAN wasted no time in asking Japan for further assistance in the reconstruction of the Indochina region.

Thai Deputy Prime Minister Suphachai Phanitchaphak who hosted the meeting, directed his speech at Japan's International Trade and Industry Minister Ryutaro Hashimoto and said, "To further promote ASEAN-Japan economic relations, I would like to invite Japan to participate in the prosperity of this region by way of capital investment, joint research and development, technology transfers and human resources development."

Suphachai also pushed for Japan to play a key role in helping to enact the Uruguay Round trade accord under the planned World Trade Organization (WTO).

"It is our responsibility for all nations—developed and developing—to ensure that a new multilateral trading system will work," he said. "I hope Japan, as a leading economic power, will show leadership and take an active involvement in works of the WTO."

Hashimoto responded by saying, "Japan will maximize its efforts to pave the way for an early ratification of the WTO accord."

"The market economy has spread to all corners of the Asia-Pacific region and this has inspired ASEAN's economic dynamics," Hashimoto said. "Japan hopes momentum should be given to the development of the market economy at a ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) forum and the informal APEC summit in Indonesia in November," he said.

On Japan's economic ties with the ASEAN region, Hashimoto said, "their partnership has been more important than in any past day," noting bilateral trade scored a 1.9-fold jump in the past five years. During the one-day meeting, Japan proposed a joint task force with ASEAN aimed at promoting reforms and the reconstruction of war-torn Cambodia, Laos and Vietnam.

Japanese officials said, "the program would make a great contribution to the formation of a broader Southeast Asian economic zone, and self-help and sustained growth of the entire Asian economy." [passage omitted]

Trade Minister Criticizes U.S.

OW2409120194 Tokyo KYODO in English 1146 GMT 24 Sep 94

[By Keiji Urakami]

[Text] Chiang Mai, Thailand, Sept. 24 KYODO—The United States should be reminded of basic principles that cannot be bent as it tries to break the stalemate in the "framework" trade talks with Japan, the Japanese trade minister said Saturday [24 September].

"The framework talks are important for both parties but we are not ready to reach settlement by bending on principles," International Trade and Industry Minister Ryutaro Hashimoto said.

Hashimoto was speaking before a joint news conference wrapping up a one-day ministerial meeting between

Japan and the Association of Southeast Asian Nations (ASEAN) in Chiang Mai, northern Thailand.

Four principles listed by Hashimoto were that Japan could not promise things beyond government control, numerical targets should not be introduced, mutually agreed upon things should be equally applied to third countries on a most-favored-nation basis and concessions should be both ways.

Hashimoto made the remarks at a time when Japan and the U.S. are engaged in talks in Washington aimed at producing a set of accords to increase access to Japanese markets. The U.S. has set a Sept. 30 deadline, and if no deal is struck by then, Japan faces possible trade sanctions.

Hashimoto played down the significance of the U.S.-imposed deadline, saying, "it is not Japan that set the date."

"We are making efforts to bring the talks to the earliest possible settlement and this effort will not be affected by any set dates—whether it would be Sept. 26 or Sept. 27," he said. He then said, "Are you asking the Japanese Government to compromise in basic principles in order to stick to the deadline?"

Hashimoto said, "when you talk about sanctions, what does that mean? Who is doing what?"

"We Japanese are not slapping the U.S. with sanctions," he said. Hashimoto renewed his opposition to linking trade and labor standards.

"The Japanese Government thinks it would be unreasonable to discuss trade matters by linking them with labor standards in view of various circumstances in each country," Hashimoto said.

"I think these issues should be brought to a specialized organ under the International Labor Organization (ILO)-," Hashimoto said.

Linkage between trade and labor standards became a major political issue in the Detroit "jobs summit" in March and the Naples summit of the Group of Seven (G-7) major industrialized countries in July. Advanced countries such as the U.S. have said low wages and poor working conditions in developing nations are virtual exports of unemployment to their countries.

In a speech delivered in Bangkok last week, Hashimoto made similar remarks.

Japanese Minister on U.S. Talks

BK2509102794 Bangkok THE SUNDAY POST in English 25 Sep 94 p 2

[By BANGKOK POST reporters in Chiang Mai]

[Text] Japanese international trade and industry minister Ryutaro Hashimoto assured his Asean counterparts yesterday that any market-opening measures agreed in Japanese-US talks would also benefit Asian countries. But some of the Asean ministers remain concerned that the talks would concentrate on products and services that Asean does not export.

A statement issued at the end of the third meeting between Asean economic ministers and the Miti [Ministry of International Trade and Industry] minister yesterday says: "the Asean ministers stressed the importance of improved access to the Japanese market especially for manufactured goods, and the need to address the growing trade deficit with Japan." They reminded Mr Hashimoto that both Japan and Asean believe in trade liberalisation and deregulation.

Mr Hashimoto replied that the trade deficit reflects "the increasing imports of capital goods and industrial inputs from Japan which is contribution to Asean economic growth," the statement says. He also pointed out that Asean exports to Japan had increased markedly in recent years; and he said Japan was committed to continue to increase exports and to deregulate.

Speaking afterwards, Mr Hashimoto said that the recent establishment of a Japanese business support centre in Singapore had helped a Singaporean company incorporate in Japan within a month of the centre's opening. A Malaysian company won a $60 million contract through the centre.

He said that while the Japan-US talks are still under way he could not say which sectors would be involved. But Tokyo stands by its principle that whatever is agreed should be made available to all countries.

One of US President Bill Clinton's demands is that the Japanese government be fair when it awards contracts in telecommunications and medical technology. Asean countries are not strong in either of these sectors at present. Previous agreements have been criticised for being similarly of specific interest to developed countries.

Malaysia's international trade and industry minister, Datuk Sri Rafidah Aziz, acknowledged that Japan has made some moves improving market access for Asean businesses. But, implying that this was not enough, she said there should be continued "reviews" of progress. She expressed concern that some measures have not benefited products of interest to Asean.

A Malaysian official listed among Asean complaints the health regulations that obstruct Japanese imports of Asean fruits. He added that although electronics products are expensive in Japan, cheaper Asean-assembled products are not being sold in Japan because of the policies of the Japanese multinational corporations.

Singaporean Trade and Industry Minister Yeo Cheow Tong said measures introduced so far were "a good first step."

ASEAN, Japan To Form Working Group

BK2409124494 Bangkok BANGKOK POST in English 24 Sep 94 p 15

[Report by Nusara Thaithawat]

[Text] ASEAN and Japan are expected to merge ideas and coordinate efforts towards the reconstruction of Indochina and Burma today at the annual ASEAN-Ministry of International Trade and Industry (MITI) meeting. The ASEAN economic ministers will propose a permanent ASEAN-Japan Working Group on Economic Cooperation and Development in Indochina and Burma be set up while MITI will propose an ad hoc Round Table of experts.

Economic ministers will emphasise market reforms, while MITI will focus on industrial cooperation.

A source close to the issue told the BANGKOK POST the working group idea gained momentum during Prime Minister Chuan Likphai's visit to Japan earlier this month. He said both MITI and Thailand had drafted a concept paper.

Thailand's paper, which for the first time includes Burma, was endorsed by the economic ministers on Thursday, according to Deputy Prime Minister Suphachai Phanitchaphak. The source said Burma is one of the ten countries of the original ASEAN vision, but Thailand made it clear to Japan that ASEAN understood the sensitivities of the issue, and it was up to Japan to decide whether to accept the package.

"We wrote the paper in very broad terms. The inclusion of Burma is optional. It's not an aggressive position," the source explained.

A Japanese observer predicted that because of economic reasons, MITI would want to go along with ASEAN, but it will express some reservation because of Japanese foreign policy towards Burma's State Law and Order Restoration Council (SLORC) and its human rights record.

Japan currently maintains a trade embargo against Burma, extends limited humanitarian assistance to the SLORC and at the same time, supports ASEAN's constructive engagement policy.

The source added that the economic ministers will not press for a decision on Burma from MITI today, giving it time to consult with concerned agencies in Tokyo.

"We have to do the same on the ASEAN side," he said.

According to the Thai concept paper, the working group would contribute to the rapid economic transformation and reconstruction in Indochina—Cambodia, Laos, and Vietnam—and Burma. The working group would include one or two representatives from the government, academic, and private sectors of the six ASEAN countries; Japan, the three Indochinese countries; and Burma.

ASEAN-Japan cooperation concentrates on industry and investment, trade cooperation, to harmonise customs practice, extend trade preferences, and in technology transfer, legal reforms, and human resource development.

The source said MITI has seen the paper and has accepted key points, but there are differences between the two papers, and the two approaches will have to be merged during today's talks.

Other topics to be discussed during the meeting of the ASEAN economic ministers and MITI this morning include the influence of yen appreciation, the ASEAN Free Trade Area, post-Uruguay Round issues, market access, and the Asia-Pacific Economic Cooperation.

Tariff Concessions for Indochina, Burma

BK2409130094 Bangkok THE NATION in English 24 Sep 94 pp B1, B2

[Report by Surachai Chuphak]

[Text] Chiang Mai—The Asean Economic Ministers [AEM] have agreed to grant a tariff concession scheme, popularly known as the Generalized System of Preference (GSP) for Indochina countries and Burma, said Deputy Prime Minister Dr Suphachai Phanitchaphak yesterday. The announcement came hot on the heels of an apparent visible push by the government of Japan to speed up economic development and reconstruction of Indochina.

Ryutaro Hashimoto, the Japanese minister of International Trade and Industry [MITI] will today discuss with top Asean officials ways to bolster the economies of Vietnam, Laos and Cambodia. Suphachai said Asean will set up a joint working group to work on details of granting GSP to Indochina and Burma. The design of the Asean GSP is expected to follow the model of the US GSP to developing countries. Supachai was firm that Asean should take the lead in promoting intra-regional trade as well as to promote technology transfer to the neighbouring countries.

Asean's support for the economic development of Burma now seems to be taking shape. Before Asean was afraid of being visible in Burma because of the human rights problems there. But in July, Asean hosted the Asean Security Forum which the former invited Burma to attend as an observer. That forum seems to be paving the way for official assistance to Burma. Japan's MITI has asked to be involved as well.

Hashimoto, the MITI minister, will today discuss with Asean ways to support the economies of Vietnam, Laos and Cambodia. He also will hold bilateral talks with ASEAN ministers. Japan is a dialogue partner of Asean. Hashimoto said Japan wants to assist Thailand and its neighbours in sustaining East Asia's dynamism as a global centre of growth. The upsurge in foreign direct investment, coupled with expanding domestic investment, has been a major drive of East Asian economies.

He said a renewed confidence has emerged from the communique issued by the Apec Ministerial Meeting in Seattle last year and the early conclusion to the Uruguay Round of GATT multilateral trade negotiations. Asian economies are now heading to play a cooperative role between the developed and developing countries in order to establish a lasting international framework for free trade and investment.

Asia, he said, is expected to continue its fast-pace advance as a leading centre of growth on onto the next century. However, Japan and other Asian countries must work together helping the region sustain its growth dynamism and overcome four pressing challenges.

Japan and Asean also plan a discussion of a policy-exchange mechanism under which Asean nations would cooperate in developing industrial policy.

According to Hashimoto, three challenges lie ahead. The first is to maintain the momentum of the deregulation process to spur trade and investment. It is essential that Japan and other Asian countries seek a framework for a freer flow of trade and investment that compensates for those areas not sufficiently covered by the World Trade Organization (WTO) pact.

He expected that efforts made by Thailand and other Asian countries on deregulating foreign direct investment and establishing laws aimed at protecting intellectual property rights will eventually lure in more foreign investment and expand industrial cooperation with Japan.

The second challenge is to modernize the industrial structure of Asian countries, such as nurturing the development of supporting industries. The growth of such industries can be fostered in joint product development. Supporting industries were a top priority of the strategy of the Japanese government and at the AEM-MITI meeting.

The third challenge is the issue of infrastructure development comprising two dimensions: the hard infrastructure manifested in roadways and telecommunication networks and the human capital necessary for industrial development.

For the hard infrastructure, Japan will continue to furnish aid in the development plans, and it is estimated that Asean will demand at least US$120.0 billion; while in the dimension of human infrastructure Japan will do everything to see the Business Volunteer Programme proposed by Prime Minister Chuan at the Apec informal Leaders Meeting in Seattle last year to materialize.

The last challenge is the task of extending the scope and depth of economic activity in East Asia. The question lies on the approach taken toward expanding economic ties with Vietnam and the other nations of Indochina.

Japan To Support APEC Expansion

BK2509101294 Bangkok THE SUNDAY NATION in English 25 Sep 94 pp A1, A2

[Text] Chiang Mai—Japan will support the expansion of the Asia-Pacific Economic Cooperation [APEC] forum into a free trade area at the Apec leaders' summit in Indonesia in November, according to an informed source.

Japan was comfortable with the report by the forum's Eminent Persons' Group [EPG] proposing the establishment of an Asia-Pacific free trade area by the year 2020, according to an official who is close to the Japanese delegation.

The unofficial confirmation came after Japanese International Trade and Industry Minister Ryutaro Hashimoto told a press conference here yesterday: "Basically, we are able to accept the (EPG) report." He was speaking after talks with Asean economic ministers. His comments will not be reassuring for Asean ministers, who view the EPG report only as a reference for discussion.

After prolonged talks on the issue last Wednesday, Asean economic ministers failed to agree on a unified approach to the EPG report and the future development of Apec, in the face of strong objections from Malaysia. Hashimato said Japan would raise no objections about the substance of the EPG report.

"I'm not in the position to asses whether the timeframe is adequate for each country, but I don't deny the activities and efforts made for developing more open markets where such cooperation can occur," the minister said. He reiterated Japan's support for the report's emphasis on skills training and improvement of education.

"There are some detailed points fa which the discussion is still needed at the development level, but basically we are able to accept the EPG's report," he said.

Meanwhile, Asean remains divided on the Apec issue. Ministers told reporters only that careful consideration was necessary. The economic ministers agreed to submit a proposal to disband the EPG, which comprises leading academics from Apec member countries, on the grounds that it had completed its task.

Meanwhile, Japan still has reservations about supporting the East Asia Economic Caucus (EAEC) proposed by Malaysia. Asean ministers also cannot agree on this issue. Deputy Prime Minister Suphachai Phanitchaphak wants the economic caucus to be a non-trade consultative forum, but Malaysia International Trade and Industry Minister Rafidah Aziz wants all aspects of common interests to be included in EAEC, which he sees as a loose consultative forum.

Japan

Kono, Kantor Begin 3d Round of Trade Talks

OW2309131394 Tokyo KYODO in English 1252 GMT 23 Sep 94

[Text] Washington, Sept. 23 KYODO—Japan's Foreign Minister Yohei Kono and U.S. Trade Representative Mickey Kantor held a third round of talks Friday [23 September] morning in Washington in an effort to break the stalemate in stalled trade talks ahead of the Sept. 30 U.S. deadline for possible sanctions.

The meeting Friday, which started at 8:34 A.M. (9:34 P.M. Japan time), is expected to focus on disputes over Japan's government procurement practices.

"There are still gaps in our approach," Kono told reporters before he entered Kantor's office.

He declined to predict whether a breakthrough would be possible on Friday.

It was the third round of face-to-face negotiation Kono has held with Kantor since he arrived in Washington on Wednesday.

Meeting Kono at the White House Thursday, President Bill Clinton warned that Washington is ready to hit Japan with trade sanctions unless it cuts a deal by Sept. 30.

Japanese officials said Kono and Kantor went through a new draft formula in a one-on-one meeting they held late Thursday that both sides hoped would resolve their differences on the procurement issue.

Their session Friday was expected to be brief as Kono was slated to leave for the Pentagon for a meeting with Defense Secretary William Perry set to begin at 10:30 A.M.

If no agreement emerges Friday, negotiations between Kono and Kantor are expected to go down the wire right until Kono leaves Saturday for New York to attend the annual UN General Assembly session.

The government procurement dispute—on how to widen the access of U.S. firms bidding for Japanese Government purchases for medical equipment and telecommunications—is one of four areas of bilateral trade negotiations currently under way in Washington.

As Kono and Kantor focused on the procurement issue, lower-level officials from the two countries were meeting separately to address U.S. complaints over alleged unfair trade practices on autos and auto parts, flat glass, and insurance business.

All these trade issues are covered under the so-called "framework" talks the two nations have been holding inconclusively over the past 14 months.

End Talks, To Meet Again

OW2309145894 Tokyo KYODO in English 1447 GMT 23 Sep 94

[By Antonio Kamiya]

[Text] Washington, Sept. 23 KYODO—Japan's Foreign Minister Yohei Kono and U.S. Trade Representative Mickey Kantor ended a third round of trade talks Friday [23 September], still short of an agreement on how to break the stalemate in the protracted framework negotiations ahead of the Sept. 30 U.S. deadline for possible sanctions.

Emerging from the meeting with Kantor, Kono told reporters that he and Kantor agreed to meet again Saturday.

"We discussed in detail on government procurement issues," Kono said.

Kono declined to say whether there was any progress but said, "the atmosphere was good." He said lower-level officials of both countries were to continue to meet until he and Kantor have another round of talks on Saturday morning. A USTR spokesman said Kono and Kantor will meet at 11 A.M. on Saturday.

Meeting Kono at the White House Thursday, President Bill Clinton warned that Washington is ready to slap Japan with trade sanctions unless it cuts a deal by Sept. 30. The government procurement dispute—on how to widen the access of U.S. firms bidding for Japanese Government purchases for medical equipment and telecommunications—is one of four areas of bilateral trade negotiations currently under way in Washington.

As Kono and Kantor focused on the procurement issue, lower-level officials from the two countries were meeting separately to address U.S. complaints over alleged unfair trade practices on autos and auto parts, flat glass, and insurance business. All these trade issues are covered under the so-called "framework" talks the two countries have been holding inconclusively over the past 14 months.

4th Round 'Last Ditch Effort'

OW2409153494 Tokyo KYODO in English 1513 GMT 24 Sep 94

[by Antonio Kamiya]

[Text] Washington, Sept. 24 KYODO—Japanese Foreign Minister Yohei Kono and U.S. Trade Representative Mickey Kantor held a fourth and possibly final round of talks Saturday [24 September] morning in a last-ditch effort to strike a trade deal before Kono leaves town later in the day.

The meeting, which began shortly after 11 A.M., is focusing on disputes over Japanese Government procurement practices, which has emerged as the touchstone in a host of trade wranglings between the world's two largest economies.

Kono, who extended his stay in Washington for Saturday's session, has conceded that he and Kantor failed to make any significant headway after three rounds of face-to-face negotiations.

Kono told reporters Friday evening that the two sides have "narrowed their differences little by little" but said he was not certain a deal can be concluded Saturday. Kantor concurred.

"I don't know. We'll have to see," Kantor said when he showed up at his office Saturday morning prior to the meeting.

A Japanese diplomatic source said he does not think the two sides can settle on Saturday and said talks are likely to drag on among working-level officials right until the U.S.-imposed deadline Sept. 30 for settlement.

Kono, who arrived in Washington on Wednesday and originally scheduled to leave for New York Saturday morning, is said to have no plan to further put off his departure. Kono will be in New York for the annual UN General Assembly session opening Monday.

The showdown between Kono and Kantor Saturday came amid signs that Japan may choose to risk U.S. trade sanctions rather than accept a trade accord that forces the Japanese Government to make a commitment to increase the sales of American goods in Japan.

"The Japanese Government is not in position to make any promise that imports will increase in the future," Kono was quoted as saying in a meeting with Treasury Secretary Lloyd Bentsen on Friday. "That has always been Japan's position," Kono reportedly told Bentsen.

Japan's international trade and industry minister Ryutaro Hashimoto also hit out at the United States over the stalled "framework" trade talks.

"The framework talks are important for both parties but we are not ready to reach settlement by bending on principles," Hashimoto told reporters on Saturday during a visit to Thailand.

At issue is a long-standing U.S. complaint that Japan unfairly restricts U.S. firms from bidding in Japanese Government purchases of telecommunications and medical devices. Washington also charges that U.S. firms face a gamut of barriers in doing business in Japan in such industry areas as autos and auto parts, insurance and flat glass.

The U.S. has given Japan until Sept. 30 to resolve the trade disputes, or face U.S. trade sanctions.

The main sticking point in the negotiations, which have gone on for 15 months, centers on the issue of how "objective criteria" to measure progress of market access for foreign firms in Japan.

Kono on Friday raised doubts about U.S. pledges not to seek specific Japanese commitments to increase the sale of U.S. products in Japan.

"Mr. Kantor has repeatedly said that the United States does not seek numerical targets. Yet there are instances where it appears otherwise," Kono said.

Kono, Kantor Talks Hit 'Snag'

OW2509005894 Tokyo KYODO in English 0040 GMT 25 Sep 94

[By Antonio Kamiya]

[Text] Washington, Sept. 24 KYODO—Japan and the United States hit a snag in their top-level trade negotiations Saturday [24 September], leaving a long-elusive accord up in the air with U.S. sanctions looming less than a week away.

Japan's Foreign Minister Yohei Kono emerged empty-handed after a two-hour meeting with U.S. Trade Representative Mickey Kantor and headed to New York later in the day for United Nations meetings.

Saturday's session, their fourth round of talks since Kono arrived in Washington Wednesday, focused on Japanese Government-purchase practices, which has emerged as the touchstone in a host of trade wranglings between two of the world's largest economies.

"I am leaving for New York now, and discussions will continue in New York," a grim-faced Kono told a crowd of reporters and television crews, mostly from Japan, staking outside Kantor's office.

Kantor, who emerged from his office an hour later, said he and Kono have tentatively agreed to meet again in New York Wednesday, two days before the U.S. imposed deadline for settlement.

President Bill Clinton, who discussed trade issues with Kono on Thursday, warned he will consider "remedies under U.S. trade laws" unless agreements are reached by the Sept. 30 deadline.

On top of the New York meeting, Kono has also indicated that he may come back to Washington to keep negotiations going—and hopes for a settlement alive—right before the deadline, Kantor said.

Kono, in a meeting with Japanese reporters, said he hopes to strike a deal while in New York, where he is scheduled to stay until Friday.

"Frankly speaking, I don't want to cut short the schedule in New York and come back to Washington," he said. Both Japanese and U.S. officials declined to divulge details of the latest fourth round of top-level negotiations, keeping a tight gag they slapped on the press since Kono and Kantor began face-to-face negotiations on Wednesday.

Kantor said he made a "great discussion" with Kono Saturday but said "I don't want to make any predictions" whether they are any closer to an agreement.

As Kono and Kantor take a break after four straight days of negotiations, lower-level officials will be meeting all weekend in Washington to thrash out over the issues and bridge the gaps, officials said. The main sticking point that has sharply divided both sides over the past 15 months of negotiations lies with a U.S. demand that Japan agree to a set of "objective criteria" for measuring progress on U.S. access in Japanese markets.

The Clinton administration, Japanese officials say, has insisted that Tokyo accept a formula that would ensure a market-access agreement would translate into increased sales of U.S. products in Japan.

Specifically, according to Japanese sources, U.S. negotiators want an agreement that would commit Japan to "annual progress" both in terms of "value and market share" of U.S. and other foreign products in Japan.

Japan has resisted the U.S. demand, arguing that it is beyond "government reach" to make such promises.

Instead of "annual progress," which Tokyo fears is tantamount to a commitment for increased sales, Japanese negotiators have proposed a "neutral" measurement that would cut any linkage to increased sales in the future.

Speaking in an interview on CNN taped late Friday, U.S. Treasury Secretary Lloyd Bentsen acknowledged that the trade talks have run into difficulties.

"It's obvious that we still have some difficult negotiations to bring to a conclusion," Bentsen said.

While the ongoing framework negotiations cover autos and auto parts, insurance, government procurement in medical and telecommunications equipment, flat glass, the dispute over government purchases has taken on new urgency because of the way how U.S. trade sanctions laws work.

The United States has been threatening to impose Chapter VII sanctions against Japan over government procurement if no agreement is reached by Sept. 30.

On that date, the U.S. Government is also due to announce a hit-list under the "Super 301" law, and U.S. officials have made it clear that Japan is a top candidate. That action would trigger up to 18 months of negotiations before the U.S. Government can invoke trade sanctions.

"Nothing moves unless government procurement moves," a Japanese source said.

Kono Delays Departure

OW2409010594 Tokyo KYODO in English 0016 GMT 24 Sep 94

[By Antonio Kamiya]

[Excerpts] Washington, Sept. 23 KYODO—Japan's Foreign Minister Yohei Kono said Friday [23 September] he hopes to hammer out a trade deal with with United States by Saturday but warned that prospects of a breakthrough remains uncertain.

"I will do everything I can (to get an agreement) tomorrow," Kono said. Kono, speaking to reporters after three straight days of negotiations with U.S. Trade Representative Mickey Kantor, said "differences have narrowed little by little" but that he is not certain whether an agreement is within reach Saturday.

Kono and Kantor, who met Friday morning for nearly two hours, have agreed to meet again Saturday morning. The showdown Saturday over the "framework" trade talks came amid signs that Japan may choose to risk U.S. trade sanctions rather than accepting a trade accord that forces the Japanese Government make any commitment to increase the sales of American goods in Japan. [passage omitted]

The main sticking point in the negotiations, which have gone for 15 months, centers on the issue of how "objective criteria" to measure progress of market access for foreign firms in Japan.

Kono, who has held three rounds of negotiations with Kantor since his arrival in Washington on Wednesday, raised doubt about U.S. pledges not to seek specific Japanese commitment to increase the sale of U.S. products in Japan.

"Mr. Kantor has repeatedly said that the United States does not seek numerical targets. Yet there are instances where it appears otherwise," Kono said.

Kono, however, suggested an agreement is still possible by Saturday "if both sides make concessions."

Kono said he has put off his scheduled departure to New York to make room for Saturday's meeting with Kantor.

"I don't think it's wise to have things drag on," he said in ruling out yet another meeting with Kantor on Sunday, if no agreement emerges on Saturday.

The U.S. Government, adopting what the Clinton administration calls a "results-oriented" approach, has insisted that Japan commit to "objective criteria" measures that translate any trade deal with Japan to increased sales in the marketplace. [passage omitted]

While U.S. officials have declined to talk about the status of the trade talks with Japan, the White House issued a blunt warning Thursday that President Bill Clinton is likely to take action against Japan if there is no negotiated settlement by the Sept. 30 deadline.

"The President emphasized that unless agreements are reached under the framework initiative by the September 30 deadline, he will have to consider remedies under U.S. trade laws," the White House said in statement following a meeting between Clinton and Kono.

The Sept. 30 deadline involves two separate U.S. actions. One deals with Japan's government procurement practices, a trade sector where the U.S. administration is authorized by trade law to slap sanctions.

The U.S. Government is also due to announce by that date whether to pursue "Super 301" action against Japan, and possibly other nations, for unfair trade practices over other trade areas.

That action would set in motion up to 18 months of negotiation under the threat of sanctions.

Kono May Cancel Next Meeting

OW2509235994 Tokyo KYODO in English 2347 GMT 25 Sep 94

[Text] Tokyo, Sept. 26 KYODO—A meeting between Foreign Minister Yohei Kono and U.S. Trade Representative Mickey Kantor, scheduled for Wednesday [28 September] in New York, may not take place despite the looming deadline in the bilateral trade talks, a Japanese trade official indicated late Sunday night.

"There may be only working-level talks without such a meeting," the official said on condition of anonymity.

Kono and Kantor held four rounds of talks in Washington that began last Wednesday, but the two sides were unable to reach a compromise over the so-called "objective criteria" to measure Japan's efforts to open its markets to foreign goods.

The United States wants Japan to guarantee it will buy more U.S. products but Japan says that kind of an agreement could lead to managed trade. The official suggested that Japanese negotiators will not alter their position on the issue.

"We have done what can be done, and there will be no case in which our side will quit," he said. The trade dispute involves three priority areas—government procurement of telecommunications and medical equipment, insurance, and auto and auto parts. Washington has said if no agreement is reached by Sept. 30, it may impose trade sanctions against Japan.

Kono: Tokyo To Risk Sanctions

OW2309232094 Tokyo KYODO in English 2231 GMT 23 Sep 94

[By Antonio Kamiya]

[Text] Washington, Sept. 23 KYODO—Japanese Foreign Minister Yohei Kono strongly suggested on Friday [23 September] that Tokyo will risk U.S. trade sanctions rather than accepting a trade accord that forces the Japanese Government to make any commitment to increase the sales of American goods in Japan.

The assertion, which Japanese officials said Kono made in a meeting with U.S. Treasury Secretary Lloyd Bentsen, raised Japan's stakes for a showdown with Washington in the so-called "framework" trade talks.

"The Japanese Government is in no position to make any promise that imports will increase in the future," Kono was quoted as telling Bentsen. "That has always been Japan's position."

At issue is a long-standing U.S. complaint that Japan unfairly restricts U.S. firms from bidding in Japanese Government purchases of telecommunications and medical devices.

Washington also charges that U.S. firms face a gamut of barriers in doing business in Japan in such industry areas as autos and auto parts, insurance and flat glass.

Kono has held three rounds of negotiations with U.S. Trade Representative Mickey Kantor since his arrival in Washington on Wednesday and but failed to break the stalemate in their trade disputes.

Kantor and Kono, who held third round of talks Friday morning, agreed to meet again on Saturday in what appears to shape up as a final showdown between the two top chief negotiators.

Kono is scheduled to leave for New York later Saturday, and a Japanese official involved in the trade negotiations said he does not think face-to-face negotiations between Kono and Kantor will push back through Sunday. "Tomorrow's will be the last one," the Japanese official said.

Neither Japanese nor U.S. officials would publicly discuss the status of their negotiations, but sources said the two sides remained stuck over the question of how to set "objective criteria" to measure progress of market access for foreign firms in Japan.

The U.S. Government, adopting what the Clinton administration calls a "results-oriented" approach, has insisted that Japan commit to "objective criteria" measures that translate any trade deal with Japan to increased sales in the marketplace.

Japan has rejected the idea, arguing such a commitment is beyond government reach.

"Both sides have more or less stood on their grounds, where matters of principle are concerned," a Japanese source said.

Kantor and Kono, who have taken personal charge of the negotiations over the past three days, have made few public comments about the status of their negotiations.

After huddling for one hour and 40 minutes behind closed doors at Kantor's office—the venue of all their negotiation sessions over the past three days, Kono appeared jovial and kept tight-lipped.

Kono declined to say whether he made any headway with Kantor, saying merely, "the atmosphere was good."

That observation was a departure of sorts in demeanor for Kono, who looked taunt and unsmiling after a meeting with Kantor the previous evening.

While Kono and Kantor took a break in between their negotiating sessions, lower-level officials from the two countries kept busy refining technical points of their negotiating positions, Japanese officials said.

The staff-level meetings covered all sectors in the "framework talks," Japanese officials said.

The United States has given Tokyo until September 30 to settle the disputes or risk trade U.S. sanctions, a warning the White House underscored Thursday following a meeting between President Bill Clinton and Kono.

"The President emphasized that unless agreements are reached under the framework initiative by the September 30 deadline, he will have to consider remedies under U.S. trade laws," the White House said in statement following the Oval Office meeting.

Negotiators 'Pessimistic'

OW2509014994 Tokyo KYODO in English 0132 GMT 25 Sep 94

[Text] Tokyo, Sept. 25 KYODO—Japanese trade negotiators have expressed pessimistic views about the prospects of early, successful conclusion of "framework" trade talks between Tokyo and Washington, particularly in the auto parts and flat glass sectors, according to government documents unveiled Sunday [25 September].

The in-government papers, obtained by KYODO NEWS SERVICE, said Japan and the United States remain wide apart, making it difficult for both sides to reach agreement by the U.S.-imposed Sept. 30 deadline for settlement.

The documents predicted the Clinton administration is likely to pursue "Super 301" action against Japan for unfair trade practices in two trade areas—auto parts and flat glass—and that action will set in motion negotiations of up to 18 months under the threat of sanctions.

Japanese and U.S. trade negotiators are wrangling over three priority trade issues in the bilateral trade talks—government procurement of telecommunications and medical equipment, autos and auto parts and insurance.

The major sticking point is a U.S. demand that Japan set "objective criteria" to measure progress in giving wider access to the Japanese markets to foreign imports. Japan strongly opposes the establishment of such "numerical targets," contending such targets are tantamount to managed trade.

Based on these prospects analyzed in the documents, Japan's Foreign Minister Yohei Kono and International Trade and Industry Minister Ryutaro Hashimoto had sought a partial agreement with U.S. Trade Representative Mickey Kantor in the auto and auto parts sector this month, a government source said.

But the negotiations have been deadlocked as Tokyo rejected a U.S. call for more purchases of U.S.-made auto parts, saying such purchases are beyond government reach, according to the source.

Washington complains of a small foreign share in the auto parts market in Japan and claims that unfair business practices in the flat glass market prevent U.S. companies from entering the market as a result of its monopoly by Japan's three glassmakers.

Hashimoto To Visit U.S. for Talks With Kantor

OW2609062794 Tokyo KYODO in English 0602 GMT 26 Sep 94

[Text] Tokyo, Sept. 26 KYODO—Japan's Trade Minister Ryutaro Hashimoto will visit the United States Tuesday [27 Sep] for talks with U.S. Trade Representative Mickey Kantor in a last- minute effort to break a stalemate in auto trade talks, government sources said Monday. The auto and auto parts negotiations are one of three priority areas under the framework trade talks between Tokyo and Washington.

The U.S. Government has set this Friday as a deadline for identifying sectors for possible sanctions under the revised Super 301 trade law provision. The talks on measures to open Japan's auto and auto parts market to foreign makers have reportedly been lagging behind those in the two other priority sectors—Japanese Government procurement of telecommunications and medical equipment, and insurance.

Washington has also been threatening to impose sanctions against Japan over goverment procurement if the two sides fails to reach an agreement in that area by Friday.

Hashimoto is scheduled to return to Tokyo on Thursday to attend the opening of an extraordinary Diet session on Friday, the sources said.

More on Hashimoto's Visit

OW2609084294 Tokyo KYODO in English 0829 GMT 26 Sep 94

[Text] Tokyo, Sept. 26 KYODO—International Trade and Industry Minister Ryutaro Hashimoto will visit Washington Tuesday in a last-ditch attempt to break a deadlock in the "framework" trade talks with the United States, a senior ministry official said Monday [26 September].

Hideaki Kumano, vice international trade and industry minister, told reporters that Hashimoto will meet with U.S. Trade Representative Mickey Kantor in Washington to discuss the trade dispute over autos and auto parts, one of the sticking points in the negotiations. Washington has said if no agreement is reached by Sept. 30, it may put Japan on a hit-list under the super 301 trade provision.

Kumano also said Hashimoto plans to meet with Secretary of Commerce Ron Brown, who is in charge of auto trade.

Foreign Minister Yohei Kono, now in the U.S., had scheduled a meeting with Kantor in New York for Wednesday but that meeting is likely to be postponed, ministry officials said.

Kumano also said Hashimoto, in a telephone conversation with Kantor Monday morning, asked the U.S. to avoid identifying Japan as a possible target of trade sanctions for allegedly maintaining trade barriers against its exports. Kantor promised "constructive efforts" in that direction, Kumano said.

Hashimoto To Meet Kantor

OW2609102794 Tokyo KYODO in English 1018 GMT 26 Sep 94

[Text] Tokyo, Sept. 26 KYODO—Japanese Trade Minister Ryutaro Hashimoto will meet U.S. Trade Representative Mickey Kantor in Washington Wednesday in a move to break an impasse in "framework" trade talks and avoid possible sanctions against Tokyo, ministry officials said Monday [26 September]. The officials said Hashimoto, minister of international trade and industry, also plans to confer with Commerce Secretary Ron Brown.

Hashimoto and Kantor agreed in a telephone conversation Monday to "make constructive efforts to break" a deadlock in the drawn-out negotiations for a new framework for bilateral trade, they said. Their discussions will focus on the opening of Japan's flat glass market and automotive and auto parts trade between the two countries, the officials said.

The United States has warned it will slap trade sanctions or start procedures toward such action under the Super 301 trade provision unless an agreement is reached by the U.S.-imposed Sept. 30 deadline.

The officials said the ministry will upgrade the ongoing subcabinet-level talks to the ministerial level in a last-ditch attempt to avoid U.S. action.

Hashimoto tried to break the deadlock in vain in his earlier talks with U.S. officials this month.

Washington claims tight regulations imposed by the Japanese Government have impeded imports of U.S. auto parts and flat glass into the Japanese market.

Overview of Deadlocked Auto Framework Talks

OW2409123994 Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Sep 94 Morning Edition p 5

[Unattributed article: "Negotiations on Automobile and Auto Parts Sector Under the Japan-U.S. Economic Framework Talks—No Prospects for a Compromise"]

[Text] Negotiations on the three priority sectors under the Japan-U.S. economic framework talks are at the final stage. While negotiations on the government procurement (the procurement of telecommunications and medical equipment) sector and on the insurance sector have entered the final phase, negotiations on the automobile and auto parts sector are still facing a rough sailing with no prospects seen for both Japan and the United States to reach a compromise. What is the United States really demanding in the negotiations on the automobile and auto parts sector? Why has the United States continued to take a tough stance against Japan in the negotiations?

Big Three Rapidly Restoring Performance

The U.S. trade deficit with Japan in 1993 amounted to nearly $60 billion and the automobile and auto parts sector accounted for more than one-half of the U.S. trade deficit. For the United States, the automobile industry is a "symbolic industry." The Clinton administration, therefore, has designated the automobile and auto parts sector as a sector to be negotiated preferentially between the two countries under the framework talks. The United States has held the negotiations with Japan with the aim of making Japanese buy more American-built automobiles and of helping the Big Three restore their performance.

Recently, however, the United States abruptly lowered the level of its pressure on Japan for increased imports of American-built automobiles because the Big Three have restored their performance and the exports of four-wheel recreational vehicle "Cherokee" built by Chrysler to Japan have grown smoothly.

The United States sees it as a success if it can dampen Japanese automakers' enthusiasm to export their cars to the U.S. vehicle market by protracting the negotiations. A senior official at the Ministry of International Trade and Industry [MITI] has said, "We feel a change in the mindset of the Big Three." The Big Three hope to increase their car exports to Japan as a result of the negotiations. Their calculation is that if the negotiations are broken off, this would promote the yen appreciation that makes Japanese-built cars less competitive on the U.S. vehicle market. A situation has been created wherein whatever the results of the negotiations, the Big Three suffer nothing.

The U.S. Government has shifted its focus from the automobile to the auto parts. The auto parts account for one-third of the nearly $30 billion in the U.S. deficit with Japan in the automobile-related trade. More important, no prospects are seen for redressing the U.S. trade deficit with Japan.

Different Structures of Auto Parts Markets

The U.S. Government is increasingly complaining that "Japanese automakers operating in the United States have not purchased American-made auto parts." The Japanese automakers are said to be registering a 70 percent of local content. The purchase of American-made auto parts by the Japanese automakers in the United States has not grown as the U.S. Government has hoped for. One hundred and eighty Japanese auto-parts makers are now operating in the United States and their business operations have resulted in cutting back on the purchase of American-made auto parts. Thousands of American auto-parts makers have just begun to move toward boosting the sales of their auto parts with the help of political power.

The United States, which in the past aimed to use the negotiations on the automobile and auto parts sector as a means to help the Big Three, is now trying to use the negotiations as a means to help American auto-parts makers. Hirobumi Hiroda, a senior researcher at the International Research Institute, has pointed out, "Japan and the United States have different structures of their auto parts markets and this is compounding bilateral trade problems in the sector."

One of the different structures is the purpose of manufacturing the auto parts. In Japan, many of the auto-parts makers manufacture them for use by automakers in the form of OEM (original-equipment manufacturing). In the United States, meanwhile, the "after market" has developed where auto parts for repairing automobiles are sold.

In Japan where the vehicle inspection system is stringent, vehicles are repaired when they are inspected under the system and the system makes it difficult for the after market to develop in Japan. This is one of the factors in keeping American-made auto parts from being sold on the Japanese vehicle market. For that reason, the United States has asserted that "regulations under the automobile standard-certification system and the vehicle inspection system need to be relaxed in order to boost the sales of American-made auto parts in Japan."

In the United States, there are the U.S. Automobile Auto Parts Association (MEMA) and the U.S. Automobile Accessory Parts Association (APAA). MITI says, "The APAA can exert powerful political pressure." While the MEMA is a business organization created by firms that manufacture high value-added auto parts, the APAA is a business organization created by firms that manufacture general auto parts. Many of them are medium and small firms that are operating in central and western regions of the United States and they are eager to carry out political activities.

U.S. Government Impresses Medium and Small Firms With Good Results of Framework Talks

American auto-parts makers, who have found it difficult to sell their products to Japanese automakers, are eager to increase the sales of their low value-added auto parts on the Japanese auto parts market. With the forthcoming midterm elections, the U.S. Government needs to strongly impress the medium and small firms with good results produced by the Japan-U.S. economic framework talks. The U.S. Government appears to be in a situation which requires it to keep taking the tough trade stance vis-a-vis Japan.

The United States has begun to step up its demand that Japan open its auto parts market by relaxing regulations on the vehicle inspection system and car repair shops. In Japan, many take the view that the U.S. Government has protracted the negotiations on the automobile and auto parts sector with "the aim of pressing Japan to open its auto parts market." Japan is highly likely to be pushed around by the complicated siltation in the United States until the midterm elections are over.

U.S. Wants Better Standard, Validation System

OW2509110394 Tokyo NIHON KEIZAI SHIMBUN in Japanese 25 Sep 94 Morning Edition p 3

[Text] The Japan-U.S. framework trade talks on autos and auto parts have resumed in Washington. In the talks, improving Japan's standard and validation system has emerged as a major issue. In a bid to increase the sale of replacement parts in Japan, the United States has demanded an easing of the standards for selecting maintenance shops that are allowed to handle replacement parts, and drastically reducing items subject to inspection by the Land Transportation Bureau. Washington will not initiate sanctions under the Super 301 provision of the U.S. Trade Act if Japan complies with its demands. However, Japan's stand is that "it is difficult to accept all the U.S. demands," (according to the Transport Ministry). Thus, there is no knowing whether or not Japan will be able to avert U.S. sanctions.

U.S. parts makers are dissatisfied with the dull sales of their replacement parts in the Japanese market. In response, Washington has urged Japan to improve its standard and validation system. It believes the improvements will lead to better access to the Japanese market for U.S. products. Thus, it has called for an easing of the standards for selecting maintenance shops that handle replacement parts and drastically reducing inspections by the Land Transportation Bureau. U.S. demands also include: 1) Reducing "key safety parts," the exchange of which requires government inspection; 2) Excluding non-essential parts from items subject to the "structural and other changes inspection" required by the government; and 3) The government giving guidance to maintenance shops in order for them not to discriminate against foreign-made parts.

U.S. Trade Stance Seen Aimed 'To Shake Up' Tokyo

OW2409023794 Tokyo YOMIURI SHIMBUN in Japanese 23 Sep 94 Morning Edition p 7

[By correspondent Masakazu Nosaka]

[Text] Washington, 22 September—While the Japan-U.S. framework trade talks have had rough going, U.S. Government officials began making tough remarks calling for the opening up of Japanese markets and stressing U.S. readiness to impose unilateral sanctions. It appears that by making such remarks, Washington is trying to shake up Japan in a bid to break the deadlock over objective criteria, a focal point in the trade talks. However, because Japan has firmly maintained its position, the negotiations continue to be stalled.

It also remains to be seen whether or not the talks will progress at a 22 September meeting between Foreign Minister Yohei Kono and President Bill Clinton and at resumed talks between Kono and Trade Representative Mickey Kantor. The possibility has now arisen that Japan will fail in its attempt to "conclude the talks before the end of this week" and that the negotiations will continue until the very end of September, the deadline for the United States to impose sanctions against Japan.

Among those who made tough remarks on 21 September were Commerce Secretary Ronald Brown, Kantor, and Treasury Undersecretary Lawrence Summers.

None of them clearly said so, but their remarks indicated that they now put their hope on the effect of the U.S. Trade Act as the 30 September deadline for Washington to decide whether to impose sanctions under the Super 301 provision of the trade act (which outlines steps for retaliation against trade partners' unfair practices) looms.

Meanwhile, at a cabinet meeting on 21 September and in a series of working-level discussions, the Japanese Government reaffirmed the policy of maintaining its conventional stand. It also concluded that "the state of confrontation basically has not changed," (according to sources within the Japanese Government negotiating team).

To Pressure Japan With Super 301

OW2509142894 Tokyo YOMIURI SHIMBUN in Japanese 26 Sep 94 Morning Edition p 11

[By Hideya Aoki]

[Text] Washington, 24 Sep—A source close to Japan-U.S. negotiations on trade disclosed on 24 September that the United States is considering putting flat-glass and forest and paper products on a list of sanctions to be decided under the Super 301 provision of the 1988 Omnibus Trade Act (sanctions against unfair trade partners), deadline for which is set for 30 September. In addition, from the three top priority areas (government procurement, insurance, and auto and auto-parts) of the economic framework talks, auto parts—except (finished) autos—are likely to be included in the list if negotiations in Washington are not concluded by late this month.

If those business areas are included in the list, Japan and the United States, in accordance with the Super 310 provision, are to resume negotiations till the U.S. imposes sanctions. As for the talks on government procurement, based on a provision on government procurement, the deadline for imposing sanctions is set for late this month. It seems that the United States plans to call on Japan to make concessions with sanctions behind its stand.

MOF Official Sees Trouble in Insurance Talks

OW2509010394 Tokyo KYODO in English 0043 GMT 25 Sep 94

[Text] Washington, Sept. 24 KYODO—While Japanese and U.S. officials are set to resume "working-level" trade talks on Japan's government procurement practices over the weekend, negotiators Saturday [24 September] bumped into an impasse on another trade front: Insurance business.

"We are still at odds on matters of importance," said Eisuke Sakakibara, a senior official of the Ministry of Finance [MOF], after emerging from an hourlong meeting with U.S. officials. The insurance talks, part of the so-called framework trade talks between Japan and the United States, were held in parallel to top-level negotiations taking place this week in Washington between Japanese Foreign Minister Yohei Kono and U.S. Trade Representative Mickey Kantor.

"We still have a lot of extremely difficult issues to tackle," Sakakibara said. Sakakibara declined to specify the areas of disagreement, but said pointedly, "It's not about objective criteria," a reference to the main sticking point in the overall framework trade talks.

Sakakibara's blunt assessment was in sharp contrast to upbeat forecasts Japanese Government sources have made in the past over the insurance issue.

Japanese sources have repeatedly suggested that negotiators are close to an agreement in the insurance sector, and a deal could come any time, pending progress in other sectors of the framework.

Despite alleged troubles in the insurance sector, negotiators in charge of the insurance talks apparently were not in a hurry to advance their agenda.

Japanese officials said insurance negotiators have no plan to meet prior to Sept. 30, the U.S.-imposed deadline for settlement of their framework talks.

Senior Banker: Trade Talks To Affect G-7 Meeting

OW2609043594 Tokyo KYODO in English 0411 GMT 26 Sep 94

[By Keiko Tatsuta]

[Text] Tokyo, Sept. 26 KYODO—The unresolved trade dispute between Japan and the United States could have a negative impact on exchange rates when finance ministers of the Group of Seven (G-7) industrial nations meet in Madrid, Spain in October, according to Bank of Tokyo Chairman, Toyoo Gyohten.

Gyohten, who is a former vice finance minister for international affairs, told KYODO NEWS SERVICE that if the two countries do not resolve their trade differences, the issue will likely come up at the Madrid meeting and may result in mud-slinging, which could affect exchange rates.

Gyohten said ensuring the stability of currency rates will be the most important issue for Japan at the meeting of finance ministers and central bankers from the G-7 countries—Britain, Canada, France, Germany, Italy, Japan and the United States.

Japan is expected to ask the G-7 nations to cooperate in checking rapid fluctuations of exchange rates, in order to allow the government's economic stimulus measures, such as more public investment and tax reform, a chance to succeed. But Gyohten expressed doubts that Japan will call for a weaker yen, given its substantial trade surplus.

The Clinton administration wants to keep its image squeaky clean and avoid any sharp falls in the dollar's value, as a congressional election is scheduled for November, Gyohten said. But it may come up against criticism at the G-7 gathering for attempting to force Japan into managed trade, Gyohten predicted.

"The U.S. should make judgment (in the trade talks) very carefully," Gyohten said.

The G-7 meeting in Madrid will focus on strengthening policy cooperation and surveillance but Gyohten could not predict whether any specific measures would be hammered out because he said the countries have differing positions.

The U.S. will blame Japan for its huge current account surplus, while Japan will address the stability of exchange rates and the European nations may call for structural measures to increase jobs, he said.

Gyohten said the impact of higher long-term interests may be debated but guessed that few new policies will come out of the Madrid session because there are currently no crises in the world economy. Gyohten will attend a special conference in Madrid on Sept. 29-30, sponsored by the International Monetary Fund (IMF) and the World Bank to commemorate the 50th anniversary of the Bretton Woods conference that established the two institutions. Gyohten is scheduled to take part in two panels on policy surveillance and ways to steer G-7 meetings of finance officials.

"There are many recommendations for improvements of the G-7 meetings but they don't do much good," Gyohten said. He was referring to his recommendation that closed-door meetings should be more open to the public, which won little support.

There are opposing arguments that nobody speaks frankly or everybody gives honeyed words with inward-looking views, he said. Gyohten, however, contended that it is important for people of each G-7 nation to know what points their representatives made and how such assertions are taken by other nations' delegates.

"If you have more knowledge of such things, you will understand whether what your nation claims can be accepted internationally," Gyohten said.

G-7 Meeting To Mull Policy Coordination

OW2409103294 Tokyo KYODO in English 1010 GMT 24 Sep 94

[Text] Tokyo, Sept. 24 KYODO—The Oct. 1 meeting in Madrid of top financial officials from the Group of Seven (G-7) industrial nations will discuss ways of strengthening policy coordination to achieve sustained global economic growth, international financial sources said Saturday [24 September]. The G-7 finance ministers and central bank governors will also discuss an expansion of International Monetary Fund (IMF) lending and a proposal to continue aid to Russia, the sources said.

The main focus of the meeting will be on coordinating the fiscal and financial policies of the G-7 countries to sustain noninflationary economic growth, they said.

Japan is expected to ask the other G-7 nations to help stabilize currency markets, with its economy troubled by the yen's recent appreciation against the U.S. dollar, they said.

Japanese officials will tell the meeting that stability in foreign exchange markets is essential for the success of domestic economic stimulation measures, including tax cuts, intended to stimulate domestic demand and lead the economy into full recovery, the sources said. The meeting follows the G-7 summit in Naples, Italy, in July, at which the nations agreed to strengthen their mutual policy surveillance and coordination. The G-7 groups Britain, France, Germany, Italy, Canada, the United States and Japan.

Kono Supports U.S. Actions on DPRK Nuclear Issue

OW2309232994 Tokyo KYODO in English 2235 GMT 23 Sep 94

[By Miu Oikawa Dieter]

[Text] Washington, Sept. 23 KYODO—Japanese Foreign Minister Yohei Kono and U.S. Defense Secretary William Perry agreed Friday [23 September] that the United States, Japan and South Korea cooperate closely in dealing with the problems of North Korea's alleged nuclear development, Japanese officials said.

Perry, who met Kono for about 30 minutes at the Department of Defense, told Kono it is necessary to take a firm stance against North Korea depending on the future developments of U.S. negotiations with North Korea, the officials said.

But he was quoted as saying Washington will not take unilateral actions without cooperating with Japan and South Korea.

Kono, who is in Washington since Wednesday, gave high marks to "patient and sincere" negotiations by the U.S. with North Korea, adding it is important to solve the nuclear problem through negotiations with cooperation among Tokyo, Washington and Seoul.

He also said it is important for the international community to send a consolidated message urging Pyongyang to comply with U.S. diplomatic efforts.

Perry pointed out the importance of cooperation among the three nations in considering aid to Pyongyang to replace its graphite- moderated nuclear reactors with light-water reactors, the officials said.

Also in the meeting, the Japanese foreign minister and deputy prime minister called for continued U.S. presence in the Asia-Pacific region, saying that would contribute to the peace and security of the region, they said.

Perry told Kono the U.S. plans to maintain its 100,000-strong U.S. troops in the region, they said.

Tokyo May Link Aid to DPRK Reprocessing Plant

OW2409125294 Tokyo KYODO in English 1222 GMT 24 Sep 94

[Text] Tokyo, Sept. 24 KYODO—Japan is considering demanding the abolition of North Korea's nuclear waste reprocessing facility as one of conditions for offering funds and technology under an international aid program to convert Pyongyang's nuclear reactor system in order to remove its weapons production potential, government sources said Saturday [24 September].

The destruction of North Korea's nuclear reprocessing plant in Yongbyon, some 90 kilometers north of Pyongyang, would provide assurance that North Korea has frozen its suspected nuclear weapons program, the sources said.

The United States, which is negotiating with North Korea over ways of making its suspect nuclear program transparent, has not called for such a precondition.

But Pyongyang "should feel pain itself and make efforts" in exchange for international aid to replace graphite-moderated nuclear reactors with less dangerous light-water models, one source said.

The Japanese Government's tough stance, if officially endorsed, is likely to be conveyed to North Korea via the U.S. in high-level talks under way in Geneva.

The sources described the new Japanese position as more hard-line than that taken by the U.S. Washington has asked North Korea to suspend its construction of graphite-type reactors and destroy existing reactors, but has stopped short of demanding destruction of the reprocessing facility.

Japan has been critical of the package deal worked out by the U.S. to freeze the North Korean nuclear program in exchange for international aid to build light-water reactors. The deal allows North Korea to acquire new reactors and alternative energy supplies entirely at the expense of the international community.

The U.S. has reportedly asked Japan to shoulder 1 billion dollars of the expected 4 billion dollar price tag to build a new light-water reactor system in North Korea.

In August, North Korea accepted a U.S. proposal to scrap its existing and planned construction of graphite reactors, which produce large amounts of plutonium, essential to the manufacture of nuclear weapons, and convert to light-water reactors, which produce less plutonium.

In the bilateral package deal, North Korea promised to close the reprocessing facility and put it under the surveillance of the International Atomic Energy Agency (IAEA). But the U.S. did not ask Pyongyang to abandon or destroy the facility, where weapons-grade plutonium may be extracted.

Tokyo Reiterates Hsu's Asiad Visit Not Political

OW2609122794 Tokyo KYODO in English 1206 GMT 26 Sep 94

[Text] Tokyo, Sept. 26 KYODO—Vice Foreign Minister Kunihiko Saito on Monday [26 September] dismissed Chinese protests against Taiwan Deputy Premier Hsu Li-te's presence at the Hiroshima Asian Games, reiterating that Hsu's visit is not political.

Saito said Hsu will be attending the Oct. 2-16 games in his capacity as a member of Taiwan's bidding committee for the 2002 Asian games and "will not engage in political activities."

Over the last two weeks China, which has claimed jurisdiction over Taiwan since 1949, when the nationalists fled to the island after losing the civil war against the late Chairman Mao Zedong's communists, filed several official protests urging Tokyo to deny Hsu entry into Japan.

Beijing has also stepped up a media campaign warning of "grave consequences" for bilateral relations should the visit take place. It has not made clear whether this could also mean a Chinese boycott of the games.

Asked how Tokyo would respond in case Hsu neglects his pledge to stay out of the political arena, Saito said this would be "regrettable" and amount to "violation of an agreement" indicating that such action would not remain without consequences for Taipei.

At a Monday meeting with Masakuni Murakami, a member of the House of Councillors of the Liberal Democratic Party, Hsu expressed hopes he will be able to hold talks with other Diet members during his weeklong stay in Japan from Friday, according to media reports from Taipei.

Taiwan's CENTRAL NEWS AGENCY also said Hsu voiced optimism China will not sit out the games, since Beijing does not want to jeopardize its bid for the 2004 Olympic games.

Concerning a possible Chinese Asiad boycott, Saito said, "I don't think we can view the situation with optimism." Japanese Foreign Minister Yohei Kono is expected to again urge China's understanding in talks with his Chinese counterpart Qian Qichen slated to take place in New York later Monday.

Saito dismissed allegations that China is playing up the Asiad issue to pressure Tokyo into extending more yen loans. "The Chinese criticism concerns the Taiwan problem and is not linked to other issues," Saito said.

Li Cancels Visit to Hiroshima

OW2409143894 Tokyo KYODO in English 1429 GMT 24 Sep 94

[Text] Tokyo, Sept. 24 KYODO—China's State Councillor Li Tieying has canceled his planned visit to Japan to attend the Hiroshima Asian Games opening Oct. 2, diplomatic sources said Saturday [24 September]. It was the first time the cancellation was confirmed, although the Chinese Foreign Ministry had earlier put on hold Li's planned visit.

Li said he is canceling his trip in protest over the planned visit to Hiroshima of Taiwanese Deputy Premier Hsu Li-te and the Japanese Government's handling of the visit, according to Sino-Japanese sources making preparations for welcoming the councillor. Li was scheduled to arrive in Japan on Monday and pay courtesy calls on Prime Minister Tomiichi Murayama and other Japanese politicians, including former prime ministers.

Taiwan's Hsu To Attend Asiad

OW2509015994 Tokyo KYODO in English 0133 GMT 25 Sep 94

[By Miu Oikawa Dieter]

[Text] Washington, Sept. 24 KYODO—Japan plans to allow Taiwanese Deputy Premier Hsu Li-teh to attend the Hiroshima Asian Games despite strong protests from China, Japanese Foreign Minister Yohei Kono said Saturday [24 September].

Kono told reporters the Japanese Government does not plan to change its policy to allow Hsu's entry into Japan to attend the opening ceremony of the Asian Games under his capacity as a member of a Taiwanese committee bidding for the 2002 Asiad.

"I hope to discuss the matter with Chinese Foreign Minister Qian Qichen and listen to his opinion when I meet him in New York on Monday," Kono said. "The organizers of the Hiroshima Asian Games are taking action based on the rules of the Asian Games and we're making a judgment based on these rules. I hope China will understand," he said.

Kono added that Japan does not intend to do anything that would run counter to the 1972 Japan-China joint statement and the friendship treaty which established diplomatic relations between Tokyo and Beijing and severed official ties with Taiwan. Japan and Taiwan have been limiting contacts mainly to nongovernmental economic and tourism fields.

The Olympic Committee of Asia (OCA) initially invited Taiwan president Li Teng-hui to attend the Oct. 2-16 Hiroshima games but later canceled all invitations to "political figures" following China's protests.

China considers Taiwan a renegade province since the Kuomintang fled the mainland after losing the civil war in 1949.

Japan granted Hsu a visa to enter Japan as a nonpolitical figure but Beijing has warned Tokyo of "grave consequences"in the bilateral relations should his visit take place.

On Friday, Wei Jizhong, secretary general of the Chinese Olympic Committee, urged the Japanese organizers to cancel Hsu's visit to Japan on grounds that OCA president Ahmad al-Fahad opposed his visit.

In a cable sent to the Hiroshima Asian Games Organizing Committee, Wei quoted Ahmad as saying that the issuance of an ID card to Hsu runs against his statement which canceled all invitations to political figures.

Chinese sports officials refused to confirm Friday whether their national team would boycott the Hiroshima Asian Games if a Taiwanese political figure is allowed to attend.

Kono To Meet Qian Qichen

OW2609123694 Tokyo ASAHI SHIMBUN in Japanese 26 Sep 94 Morning Edition p 2

[By reporter Eiichiro Suganuma]

[Text] New York, 25 Sep—Yohei Kono, deputy prime minister and concurrently foreign minister, and Chinese Foreign Minister Qian Qichen are to meet in New York on the morning of 26 September (evening of the same day in Japan). Kono held an informal meeting with reporters on 24 September at a hotel in Washington and disclosed that with regard to the Japanese Government's decision to allow Hsu Li-te, vice president of Taiwan's Executive Yuan, to visit Japan to attend the Hiroshima Asian Games, he plans to convey to the PRC in his meeting with his Chinese counterpart that Japan has no intention to change its position.

In the informal meeting, Kono commented on Chinese objection to allowing the Taiwanese official to visit Japan, saying: "Japan has absolutely no intention to violate the Japanese-Chinese Joint Statement nor the Japanese-Chinese Friendship Treaty. We must ask for understanding on this matter since we made our decision (on permitting the entry) on the basis of the regulations of the Asian Games."

In protest against the attitude of the Japanese Government, Li Tieying, Chinese state councilor, canceled his plan to attend the opening ceremony of the Asian Games. Regarding this matter, Kono merely said: "I have not heard about it officially, so I am in no position to make any official comments."

* MOFA's Matsunaga on Need for Active Diplomacy

942A0630A Tokyo GENDAI in Japanese Sep 94 pp 92-93

[Interview with Nobuo Matsunaga, adviser at the Ministry of Foreign Affairs, by GENDAI editorial staff member; place and date not given: "Hasten Concrete Measures To Avoid Rekindling Japan-Bashing"; from the "Key Person" column]

[Text] [Boxed item: Nobuo Matsunaga: Government representative on diplomatic questions; adviser, Ministry of Foreign Affairs. Born 1923, graduated from Tokyo University. Entered Ministry of Foreign Affairs 1946. Has held such posts as administrative vice minister for foreign affairs and ambassador to the United States.]

[GENDAI] The Murayama government was established at a time when there are many international problems such as Japan-U.S. relations and the North Korean question. How did you judge its performance when it was abruptly thrust onto the big stage at the Naples summit?

[Matsunaga] Compared with last year, the world economy is on a trend toward recovery, and I think that the overall mood was cheerful. Such problems as Japan's trade imbalance remain unresolved, but there was also hardly any of the criticism toward Japan about which there had been concern. Rather, I felt strong hope that Japan would support the world economy by promoting the expansion of domestic demand.

What the nations at the summit were paying attention to in the management of Japan's economy were the three items of the tax system, public investment, and deregulation. With regard to these, Prime Minister Murayama clearly affirmed a continuation of tax reduction, a review of the allocation of public investment, and implementation of deregulation. The detailed content is not necessarily clear, but as you know, not even a week had passed since Murayama had assumed the reins of government. The heads of the various countries also probably understood that.

[GENDAI] There was the incident of the prime minister collapsing, but people say there was no great loss of points.

[Matsunaga] You can probably say that the start was favorable. The international community will be reassured for a while on the points that diplomatic relations will continue and that the Japan-U.S. security relationship will be firmly adhered to. Actually, maintaining the Japan-U.S. relationship in a satisfactory manner is also very important to the entire world. This year I had many opportunities to visit Asian countries, and what I was asked without fail was the state of the Japan-U.S. relationship. I have been made to appreciate anew the size of Asian countries' concern, interest, and apprehension.

In regard to North Korean nuclear weapons as well, when you consider the problem of export of weapons to the Middle East, it does not stop at being just a problem of Northeast Asia; it is a problem that could very well affect the world. The country actually engaged in negotiations is the United States, but Japan and South Korea must continue to support it.

[GENDAI] What is the outlook for the Japan-U.S. framework talks?

[Matsunaga] It is necessary to compromise without delay. Looking at it from the U.S. side as well, there will be a midterm election this November, so it is necessary to establish some degree of prospects for the Japan-U.S. framework talks by then. Otherwise, with the midterm election as the opportunity, Japan-U.S. relations will again be placed in the spotlight as a problem of domestic politics. Japan-bashing will rise again and will link isolationism and protectionism, which are deeply rooted in the United States, and it will become an increasingly complicated problem. We must avoid that. It is probably the same for President Clinton.

[GENDAI] As an immediate problem, there is the rapid strengthening of the yen.

[Matsunaga] There are two sides to that: the side of the weak dollar and the side of the strong yen. The cause of the weak dollar is probably the fact that, although light has begun to be visible, the U.S. economy has not completely recovered; the strong yen results from the problem of Japan's trade imbalance. The former is a problem that the United States should deal with, and the latter is a problem that Japan should deal with. In any case, it is a matter that each side should solve through effort.

At the summit this time we were able to agree that the current situation on exchange rates does not necessarily reflect the economic fundamentals. That was very good. A concrete solution is a task for the future.

[GENDAI] Has the U.S. uneasiness about a prime minister from the Social Democratic Party of Japan been solved?

[Matsunaga] It will probably be fine. Aside from the prime minister and chief cabinet secretary, the major cabinet ministers are from the Liberal Democratic Party and Sakigake [Harbinger]. Their number is also overwhelmingly great. The view that it is essentially an LDP government may be strong.

A Country With No Cabinet Ministers at a Meeting of a Council of Cabinet Ministers

[GENDAI] Even so, there have been seven prime ministers since 1989. Does not Japan appear to be a fairly unstable country if looked at by foreign countries? Actually, you attended the June meeting of the OECD Ministers Council as the prime minister's representative.

[Matsunaga] That time Foreign Minister Kakizawa was unable to attend because of matters related to budget deliberations, so it could not be avoided; but among the 25 countries, Japan was the only one with no cabinet ministers. Six attended for the United States; and with New Zealand, for example, the prime minister attended. Japan was certainly very conspicuous.

I, too, was informed of it two or three days beforehand, so I brought onto the plane more material than I could carry and studied fiercely. Normally I make it a practice to get as much sleep as possible, but I did not sleep at all. I was going as Japan's representative, so I could not get away with not knowing things. It was awful.

[GENDAI] Even since you became a government representative, the prime minister has changed four times, with Miyazawa, Hosokawa, Hata, and Murayama.

[Matsunaga] Because Miyazawa went to last year's summit... As might be expected, it is desirable for international relations that the political situation be stable. Of course, the policy of continuing with diplomatic relations was carried out consistently, so there is nothing which is difficult for me to do, and that is probably a national obligation in order not to lose international trust.

Contents on Murayama Speech to Diet Session

OW2509062494 Tokyo KYODO in English 0601 GMT 25 Sep 94

[Text] Tokyo, Sept. 25 KYODO—Prime Minister Tomiichi Murayama will seek public understanding over the planned consumption tax increase to 5 percent in a policy speech on the opening day of an extraordinary Diet session slated on Friday [30 September], sources close to the premier said Sunday.

In addition to appeals over a government tax reform plan, Murayama will also pledge to promote thorough administrative and political reforms, the sources said.

Murayama will also request ratification of the Uruguay Round of multilateral trade talks agreement, the sources said. Murayama is expected to ask for necessary legislative procedures at the extraordinary Diet session in connection with these four key issues.

On the diplomatic front, the prime minister will express his intention to seek a permanent seat on the UN Security Council and explain about the dispatch of Self-Defense Forces on a Rwandan refugee relief mission and wartime compensation measures, they added.

Murayama is likely to appraise the government's tax reform outline as the results of efforts to directly tackle unavoidable issues toward an aging society with fewer number of children, the sources said.

In seeking public understanding of an increase in the current 3 percent consumption tax to 5 percent in April 1977, Murayama plans to explain that the tax reform package also includes a multiyear 5.5 trillion yen cut in national income and local residence taxes and measures to correct unfair tax burdens, the sources said.

Murayama's Strength, Political Style Analyzed

OW2409021694 Tokyo BUNGEI SHUNJU in Japanese Sep 94 pp 190-200

[Article by Yasuhiro Tase, NIHON KEIZAI SHIMBUN editor: "The Self-Destruction of Ichiro Ozawa"]

[Text] Prime Minister Tomiichi Murayama (70) resides in the official residence of the prime minister with a lone male secretary assigned from the Social Democratic Party of Japan [SDPJ] headquarters. "It is a vast, empty place, so Ton-chan [nickname for Tomiichi] does not seem to find it very comfortable," agree friends and acquaintances who visit.

His meals are brought in by his second daughter, Yuri Nakahara (37), who also acts as his Diet secretary.

"I could eat if I were there, so actually the Kudanshita Dormitory (official accommodations for the members of the House of Representatives) would be better. There is even a dining hall there. But the security people nixed that idea. They insisted that I stay here. And, after all, I cannot be the cause of trouble to other people either. So, I did not bring much with me. Just my futon and blankets. I did not even have enough to need a truck to move.

"Right now, my nephew and his wife, a married couple, stay with me (here in the official residence) and they take care of the housekeeping chores. SDPJ headquarters became concerned and contacted the employment office of the Ministry of Labor's Public Employment Security Office and hired a woman to help out. She started yesterday. Nothing is quite right. All there really is is myself. I could have moved with only a single bag and my futon."

For Murayama, who is certain to decry the inconveniences of living in the official residence to anyone who visits, the realities of the intense turbulence that has revolved around him throughout this past year have been stranger than the stuff of which dreams are made. Just one year ago, Murayama was serving as chairman of the SDPJ Diet Administration Committee. For a long time, Murayama concentrated on involvement in pensions and other welfare issues at the SDPJ Labor Committee, evidencing little interest in national level politics nor seriously thinking he might be inclined in that direction.

"I am not running in the next general election; I am going to retire. When I quit, I am going to devote myself to my wife. We plan on rebuilding our house with some money my wife has saved up."

At that time, Murayama made this declaration to supporters from his home constituency in the first electoral district of Oita.

From the time of Murayama's election to the House of Representatives, his wife Yoshie, formerly a nurse at the Oita Red Cross Hospital, has managed the Oita prefectural office cafeteria, shopping at the market every morning at 0300 and returning home, bone-weary, at 2100 every night.

"Why am I thinking I should retire as a dietman? First of all, retirement age is said to be 70. And my wife's health is not so good anymore. The woman has worked nonstop for 30 years. You know, she works so hard that at the market or where ever, people would say, 'Wow, you just cannot keep up with Murayama's wife.' What has given her the most trouble has been the house. Our house. She thinks no matter what, the house just has to be rebuilt. That is one of the things I need to get to before I am too old so this is probably good timing. There is nothing to leave to our children, so I have been thinking that at least we should rebuild the house, enjoy our lives together as a couple for the first time and take care of each other."

Murayama was saying this about the time he was chosen to be chairman of the SDPJ, a turn of events he never expected.

Yoshie Murayama is currently recuperating following surgery for a herniated disk. She seldom makes it to Tokyo, and she certainly cannot accompany the prime minister on his trips abroad. Murayama's hospitalization due to stress and an upset stomach while he was at the Naples summit alone, was the focus of some concern. "You have a daughter so why did you not take her with you? Your daughter could have looked after your health." As a result of the thorough scolding of his entourage, [Murayama's daughter] Yuri accompanied him on his trip to South Korea.

On the return trip from the Naples summit in his official plane, Murayama was reportedly unable to sleep as he lay awake wondering, "Why is this happening to me? I do not even know east from west. Me, who has never been a Cabinet member. To me who never even went to the prime minister's residence very often. In the first place, it is rare to find a representative who has been abroad as seldom as I have, even in the SDPJ. Yet here I am having gone to an international conference, which was a summit, no less."

He had been overseas only four times before assuming the office of prime minister: once for a study tour of the United States; twice to China, which included one trip during the Cultural Revolution; and once to Europe during his tenure as the chairman of the Diet Administration Committee.

Who Made Murayama Prime Minister

0808, 29 June. The plenary session of the House of Representatives now certain to have a place in Japanese political history was convened. Even at this point, Murayama had absolutely no real awareness that he was about to become prime minister. He was certainly aware that he was being endorsed by the Liberal Democratic Party [LDP] and the Sakigake [Harbinger] Party along with the fact that he was running against former Prime Minister Toshiki Kaifu, but Murayama was in such confusion that he was unable to correctly assess exactly what these things meant.

He was unable to so much as think out the fundamental issue of whether he would win or if Kaifu would win. All he had in his mind was that when everything was over, he could take a deep breath and relax. There was no one to help gauge the possible results of the vote tally, nor was Murayama in any way showing a determination to win.

"When (the first round of votes) was cast, I certainly had a few more. I did not have a simple majority, so a runoff vote was held. I thought, 'Oh bother, this is getting serious here.' Up until that point, I had been thinking that if circumstances required that a prime minister come from the SDPJ, we would simply have to come up with some suitable candidate. After all, it is now commonly accepted that the prime minister does not also have to be the head of his party. I became chairperson only to hold the party together, so I was thinking my responsibility would be to find the right person for the job."

The strident voice of Takako Doi, speaker of the House of Representatives, rang through the House chambers: "Therefore, this House is decided that Tomiichi Murayama is hereby nominated to be the prime minister of Japan."

Applause, outrage, and bated breaths. It was not just that this was the SDPJ chairman, but that this was a man of an age where he would normally be retired and playing with his grandchildren. And more: Born the son of an Oita fisherman who caught sardines for use in making soup stock, he had struggled for an education before choosing a career in politics. Always pressured by others, he first assumed a seat in his city assembly and then in his prefectural assembly before moving on to the House of

Representatives and the heart of the political world. This was the moment such a man became prime minister.

So, who made Murayama prime minister?

To state what should be a foregone conclusion, the single most influential "contributor" to the birth of the Murayama administration was Ichiro Ozawa, secretary general of Shinseito [Japan Renewal Party]. While there were a great many people in a great many positions who worked toward this end; essentially, it was the crystallization of a common loathing for Ozawa.

Murayama himself has had strong reservations regarding Ozawa's character since they worked together as part of the Hosokawa administration.

Murayama has said to those nearest to him: "During the Hosokawa administration, we would have these meetings of the party heads of the ruling coalition. Well, Ichiro Ozawa would be sitting right there in front of me. We were together quite a few times, but have spoken to each other only twice. The second time, there was this newspaper article saying he was going to Europe. So I asked him, 'Mr. Ozawa, the papers say you will be going to Europe. So when are you planning to leave?' He said, 'No, that is still to be decided,' so I said, 'Oh, is that so?' He left the very next day."

Murayama also says, "Some people say, 'No one ever got to be prime minister through the bribe of a single cup of tea' but I never offered anybody 'a cup of tea.'" Murayama's ascent to the office of prime minister "over a cup of tea" is a consequence of the self-destruction of Ichiro Ozawa's strategies.

Says a senior Shinseito officer speaking on the condition of anonymity: "I only learned of the 'Kaifu endorsement' on the day of the actual voting for prime minister, at 1430 that same afternoon. I think most of the other people did not even find out until about 1600. That being the case, it was inevitable that things would not go smoothly. It was simply beyond the realm of common sense. This is a political party; you simply cannot be secretive to get certain things done. It was not a case of our being unable or unwilling to swallow whole the conditions laid out by the SDPJ. But Ozawa just had to create a schism between the LDP and SDPJ, nor could he bear to see Hata become prime minister again."

To Ozawa, Hata Was a Disposable Prime Minister

Immediately following the birth of the Murayama administration, I saw former Prime Minister Tsutomu Hata at a private gathering and asked him: "Why did you choose to have the entire cabinet resign instead of taking the simpler step of dissolving the House of Representatives?" Appearing to have put the whole matter behind him, Hata looked unperturbed as he replied: "Neither the Japan New Party [JNP] nor the Democratic Socialist Party [DSP] were in any condition for a general election. And since, in the first place, I had been emphasizing political reform, if a general election had taken place at that point, the system of medium-size electoral constituencies would have been revived."

I cannot accept this statement by Mr. Hata at face value. Mr. Hata announced the resignation of the entire cabinet at a news conference on 25 June at 1122. The night before, around the time the date was changing from 24 June to 25 June, Hata distinctly told one senior JNP officer that he would "proceed with dissolution and a general election." Just past 0300 on 25 June, a phone call from Hata abruptly woke up that same senior officer who had gone home to sleep. In a subdued voice, all Hata said was "It has been decided that the entire cabinet shall resign."

During these events, Michio Watanabe was approached by the Ozawa people to leave the party, but he declined, saying: "Do not use a back door approach with me, come to me from the front, honorably." He notes: "After all, Ozawa did not want Hata to be prime minister. Having made Hata prime minister, Ozawa very likely wanted Hata out as soon as possible. Ozawa was always saying, 'Hata just does not have enough experience yet to be prime minister.'"

Watanabe concludes that during the 10-hour conference between Hata and Ozawa, Ozawa pressed Hata, who was insisting on dissolution of the Diet and general election, with "You keep saying that but just what are you going to do about funding? What about the candidates for the election?" Since these are areas in which Ozawa is the only one with any expertise, it is likely that Hata was overwhelmed and unable to offer any refutation.

In support of this line of argument, there are indications that besides Watanabe, Ozawa had approached Ryutaro Hashimoto and Taro Nakayama to "succeed Hata." Although Ozawa's strategy would appear to be well thought out, a closer inspection reveals certain actions that appear to have been spur of the moment.

When Hata announced the resignation of the cabinet, many of the people of Nagata-cho [the political center of Japan in Tokyo] assumed this to be a "ceremonial act" conducted to bring about a return of the SDPJ to the coalition fold. This was because SDPJ secretary general Wataru Kubo had been calling for "voluntary resignation of the entire cabinet" as a condition for the SDPJ's return. It was widely believed that Ozawa's approbation was behind Kubo's statement.

The point here is that Hata may have been more convinced of this than were others. Hata's statement in the news conference betrays no indication of the forlornness that is the usual mark of a prime minister who is resigning.

When asked, "Following this resignation of the cabinet, are you planning on becoming prime minister again," Hata responded: "It is best to leave that issue to the Diet. It is important we abide by the decisions of the Diet. I am not planning anything. And, as regards any new administration, my approach has been based on hopes that the SDPJ will assume a leading role in Japanese politics not as an opposition party, but as a responsible political organization. It is my hope we entrust things to the Diet with receptive and open minds, focusing on what is important to the nation as a whole."

Clearly, Hata's sentiment is not one of "stepping down from power" but is imbued with his hopes for an SDPJ return to the coalition fold. While Hata did say he wanted the SDPJ to "take a leading role in Japanese politics," he was in no way anticipating this union with the LDP which culminated in the "Murayama administration." Hata's true sentiments are also reflected in the fact that he diligently continued his studies for the Naples summit until the day the Murayama administration was born.

From beginning to end, Hata thought of nothing but having the SDPJ return to the fold of the coalition government. On the other hand, Ozawa was scheming to restructure the entire political arena in a single stroke. Even when information began to leak about the "conservative/conservative alliance" from Ozawa and from a part of the LDP, Hata appeared totally unconcerned, making numerous phone calls from the prime minister's office to labor union officers to ask for their help in lobbying for the return of the SDPJ.

At a meeting of LDP faction heads, Michio Watanabe said to Keizo Obuchi: "It all started from the insider conflict at your place. We have heard about a conservative-conservative alliance, but how does Hata feel? What Ozawa says and what Hata says are always different. Why do you not go see Hata and find out?"

To avoid being seen, Obuchi used the car of the prime minister's personal secretary to enter the prime minister's official residence while Hata was out. He waited for Hata to return and met with Hata twice in this manner. They had many shared experiences having been together in the Tanaka and Takeshita factions, and the relationship is not bad. As long as a heterogeneous element, Ozawa, does not get between them, they can talk to each other from the heart.

"We think along the same lines. Would you agree to join with the LDP in forming a grand conservative alliance?" asked Obuchi straightforwardly.

"No," came Hata's reply. "The reason I left the LDP was because I was thinking about how politics ought to be in the 21st century. The only conceivable course to take is a non-LDP administration that includes the SDPJ."

It was clear to Obuchi that Ozawa and Hata had totally opposite ideas. This being the case, Hata would not join the Ozawa bandwagon no matter what the circumstances. It was due to this information from Obuchi that Watanabe refused to move at this time.

Takeshita Continually Urged Kaifu To Be Prudent

Prior to the Hata cabinet resignation, former Prime Minister Noboru Takeshita and former LDP Secretary General Seiroku Kajiyama were working out a plan for an LDP/SDPJ/Sakigake coalition with one of the leading strategists of the political world and the man whom Ozawa is said to most fear: Hiromu Nonaka.

Their main strategy was "First, Masaharu Gotoda. Gotoda is likely to refuse, so in that case, Toshiki Kaifu. If that does not work, then Masayoshi Takemura. And if we really need to, we can go to Tomiichi Murayama."

This plan had surfaced once previously at the time of Hosokawa's resignation. It fell through halfway, however, because the SDPJ experienced a strong allergic reaction to the idea of teaming up with the LDP. Too, Kaifu was a strong trump card for the LDP.

At noon on 24 June, the day before the Hata cabinet resigned, an interesting array of faces was assembled at the official residence of the president of the House of Councilors. In addition to President Bunbei Hara there were Takeshita, Kaifu, and Takemura. The assembly followed a reception for a conference on the global environment. Tactfully, Hara left the room. Takemura told Takeshita: "We are thinking of endorsing Mr. Murayama."

Takeshita responded as follows: "Since you will be acting as the bridge between the LDP and the SDPJ, it should work out all right. We have to be careful not to let the SDPJ go. However, I believe it is possible Mr. Murayama might not accept. In that case, go to Mr. Gotoda. However, he might not accept either. Kaifu is certainly another alternative."

Takeshita himself told this author, "I even had a talk with Kaifu to urge him to be prudent." Takemura swears that at that session, Kaifu expressed agreement with Takeshita and did say Murayama was acceptable. But, if this is true, the question remains, why did he later insist "There is no way I can write 'Murayama' on the ballot?"

It was Obuchi and Takeshita, both former members of the Waseda Yubenkai [Waseda University debate society], who almost forcefully held Kaifu back from taking any of the sundry opportunities to leave the LDP during the controversy over political reform. Takeshita was also the father of the Kaifu administration. He continuously sought prudence from Kaifu, repeating the line: "In times like this, there is no one but you." Takeshita was well aware that Kaifu is an extremely cautious man who refuses to make a move unless there is a real likelihood of success.

Takemura only heard that Kaifu would stand as a candidate at 1600 that day, or some two hours before Kaifu held his news conference. Takemura telephoned Gotoda. Half doubting, half believing, Gotoda made repeated phone calls to Kaifu saying, "This simply cannot be true." Gotoda's reply [to Takemura] was, "Kaifu will not even come to the phone to answer my calls." LDP Secretary General Mori said, "I will look into this at once," and hung up. Even [LDP] President

Kono asked, "Is that right?" The move to support Kaifu's candidacy came as a surprise to the LDP. Obuchi ran over to Kaifu's offices in room 1004 of the TBR [preceding letters published in English—expansion unknown] building behind the Diet building.

With a tormented look on his face, Kaifu kept saying, "I simply cannot write 'Murayama.'" It was then that a phone call came from Takeshita.

"I accept that you feel you cannot write 'Murayama'. But surely you are not planning to run as an opposing candidate, are you? That is not the sort of thing you should be doing," said Takeshita in a tone verging on tongue lashing. Kaifu's response to this was most strange: "No, that will not happen. In any case, whatever is going to happen will happen when tomorrow is over."

Takeshita covers for Kaifu with, "I do not believe Kaifu lied to me. I would be wronging him if I thought that. He likely thought that the session would be extended (because the session was to end on the 29th)." Kaifu used the same script when he submitted his resignation from the party to President Kono.

Early in the game, only a few people were aware that Kaifu would run as a candidate. Among those close to Ozawa, perhaps the only one to know was Sadao Hirano, who served as liaison to Kaifu. Nor, of course, was Hata informed. There are indications that Komeito Secretary General Yuichi Ichikawa and former Prime Minister Morihiro Hosokawa were told, but it is not likely either knew until just the day before or around noon of that same day.

The two who convinced Kaifu to run were Takeshi Noda and Yuji Tsushima, fellow political reformists. Both have a Ministry of Finance background and are policy experts. However, the two are not politicians who can work in the stinking morass of canvassing for a majority. Although it is true that "schemes kept secret go well...", this was implemented too hastily to garner sufficient votes.

When Watanabe declared his support for Kaifu and when Yasuhiro Nakasone announced in a news conference that his vote would be cast for Kaifu, the group surrounding Ozawa was confident of victory. Even if they were to lose the first round of balloting by a small margin, they were confident they would be able to overturn it in the final balloting. However, since most of the Diet members who had voted for Kaifu had only learned of Kaifu's candidacy on the TV news, there was simply not anywhere near enough time in the 35- minute break to canvass for enough votes for a majority.

Masaharu Gotoda's Interpellations

Who was the first to advocate Murayama for the office of prime minister? Yukio Hatoyama, who had become the secretary general of the Sakigake suggests, "I think it was (Minister of Health and Welfare) Shoichi Ide. And the people who made the decision to go with that selection were Takemura, Shusei Tanaka, and Hiroyuki Sonoda. There was the viable option of having Takemura himself run as a candidate, but in fact, Takemura had personally eliminated any such likelihood, which was another factor leading to the creation of the Murayama administration.

When Sakigake called for Murayama to be prime minister, I asked Takemura directly, "Is it not possible that this could end up being a Takemura administration?" Takemura was quick to deny any such possibility and responded, "I can accept Mr. Murayama". This was the evening of 27 June, about two days before the birth of the Murayama administration.

Takemura and Murayama. These two with their diametrically opposed political backgrounds had nothing in common. If there is anything, it is only that Takemura has his roots in the Ministry of Home Affairs and that Murayama was elected with the political backing of the All-Japan Prefectural and Municipal Workers' Union. It was in the days of the Hosokawa administration that the two came swiftly together. All the important decisions were made at the conferences of coalition party representatives in which Ozawa and Ichikawa exercised total control. Similar feelings of repeatedly being brushed aside despite being party leaders brought the two [Murayama and Takemura] close together.

During the days of the uproar over the parliamentary group "Kaishin," which triggered the SDPJ's withdrawl from the coalition government, the two maintained close communications.

Murayama looks back on that time: "Despite the talk about the need to build relationships of trust so we could have open and free discussions with each other, (the Hosokawa government) did not have the kind of atmosphere that makes that kind of thing possible. If Mr. Takemura or someone like him stood to give an opinion, it was 'well, are you speaking right now as chief cabinet secretary or what?' It was always that kind of discussion, see? Well, things are different now. Everyone trusts each other, and consults on everything."

Takemura continued to persuade Murayama. Takemura was well aware of Murayama's strong aversion to any idea of again teaming up with the Ichi-Ichi [Ichiro Ozawa and Yuichi Ichikawa] line. On the other hand, [SDPJ] Secretary General Kubo was looking for a way to return to the coalition government. The differences in their thinking made the entire political situation difficult to read.

Takemura had Murayama meet with Gotoda twice. In his first meeting with Murayama, Gotoda said, "I have one request of you. You simply cannot authorize the Self-Defense Forces [SDF] to go overseas."

"Sir, that is something I should rather ask of you," retorted a surprised Murayama. Gotoda continued, "On the issue of recognizing the constitutionality of the SDF, our party position is different from yours. No nation that has ever started so massive a war as World War II should be permitted to carry weapons abroad again."

Murayama stated, "That is precisely why we put forth all that we had and adopted the tactic of walking at a snail's pace in Diet session—to oppose the peacekeeping operations bill. I still believe we were right."

According to Takemura's statements, Gotoda proceeded to ask about the SDPJ's positions on the constitutionality of the existence of the SDF and about the Japan-U.S. Mutual Security Treaty system. To these questions, Murayama replied, "What the citizens of Japan in their good sense believe to be acceptable must be accepted by those of us in politics. Would you not agree this is certainly true for any one who intends to be part of a ruling government?"

In effect, Gotoda's questions constituted the equivalent of an LDP cross-examination of Murayama. It was only following this that the idea of Murayama being acceptable began to gather momentum within the LDP. Of course, Murayama personally had no idea of this at the time.

The Group Shinseiki [New Century Group] of newer Diet members organized by the LDP's Koichi Kato, Taku Yamazaki, and Junichiro Koizumi—a trio referred to as the YKK—had convened several meetings seeking more meaningful cooperation with the SDPJ and the Sakigake. These young men were driven by a sense of urgency that if they did not make their moves now, the LDP would be, through Ozawa's strategies, eaten up and ruined like an old house infested by termites.

Kato and the others advised Kono, the [LDP] president, that "Murayama should be one of the candidate options." However, they did not [feel it appropriate to] ask Kono to endorse Murayama directly as a candidate because Kono was head of the largest party. Kato and the others decided to pressure [LDP] Secretary General Yoshiro Mori.

Thirteen hundred hours, 18 June. In discussions with the SDPJ's Kubo, who was making every possible effort to break off discussions with the LDP, Mori said, "I am about to say something quite significant. The LDP has decided to endorse Chairman Murayama to be prime minister. We have not told Mr. Kono. As [LDP] secretary general, I should be working to have Kono become prime minister but, nonetheless we desire to endorse and support Mr. Murayama. One way or another, we must call a halt to power politics and establish a stable political authority."

Kubo's expression drew tight. Diet Administration Committee Chairman Koken Nosaka, who was at the same meeting, offered Mori a way out: "Mr. Secretary General, it seems this would require us to call a meeting of party heads." Kubo had been opposed to holding a summit meeting of LDP and SDPJ party heads.

Mori returned to party headquarters and apologized to Kono: "As someone in my position, where I am supposed to support you, I have done something unforgivable. Even though I did not have your express approval, I said I would go with Murayama."

Kono told the weeping Mori, "I believe your judgment to be correct." Actually, by that time, Kono had met with Murayama in secret sessions several times. Not only had the two met alone, but there were times when Takemura was included in three way discussions.

I asked Kono how he was able to convince Murayama, who was moaning, "If you are going to say things like that, I am going back home to Oita." Kono appeared reluctant to revive the exact words he used to convince Murayama. It was similar to when a man is proposing, there are things he will say that he would find embarrassing at a later date when he has a cooler head.

"The LDP has never before endorsed someone from another party to be prime minister. This is the first such decision since the founding of the party. No harder or more trying decision has ever been placed before the Diet members of this party and their supporters than whether or not to endorse you [Murayama] as the candidate. I shall take full responsibility for this decision. This is because I believe the paramount duty of the party is to resolve the current state of affairs."

Both Kono and Takemura claim to "no longer remember exactly how we convinced him". It could be that the three men simply clicked together. Shusei Tanaka's definition of the new administration as "a three party coalition government, and at the same time a 'three man' coalition government'" underscores how well the three work together. At the prime minister's official residence, while it was still serving as the Murayama cabinet formation headquarters, this same Tanaka said to Mr. Kono: "Well Mr. Kono, you have finally girded your loins for battle."

Laughing, Kono replied, "The way you say that, it sounds like I have never girded my loins for a real battle before."

"Well yes, that is true, is it not?" replied Tanaka.

It is said that this is the first heart-to-heart communications between Kono and Tanaka since they parted ways back in the days of the New Liberal Club.

The Common Link is "Enmity" for Ozawa

A complex web of interpersonal relations is behind the birth of the Murayama administration. There is the relationship between Murayama and Ryutaro Hashimoto, who is an influential member of the Liberal Democratic Party's social and labor issues group. This is probably the single strongest link. Murayama is also particularly close to Seiroku Kajiyama, who was his counterpart when he was chairman of the SDPJ Diet Administration Committee. Hashimoto again is close to

Takemura. Murayama's closest and most loyal aide, Nosaka, also has strong ties to the LDP.

These and many other interpersonal relationships were all behind the birth of the Murayama government. The common link which joins all these players is a feeling of enmity toward fellow politician Ichiro Ozawa. There is the belief, rapidly gaining momentum in Nagatacho and among the media, that the man behind the scenes drawing the strings of this "net around Ozawa" is none other than the "man in Daizawa" himself, former Prime Minister Takeshita.

However, this author, who is alone in investigating how these events have unfolded, has found no evidence proving or disproving the rumors about Takeshita. Having such tales spread with no evidence to support them serves no purpose and only results in new myths about an already famous politician.

Takeshita had this to say about Ozawa. This author has no release to commit these comments to print, but has done so here because I believe they are vital to an understanding of politics.

"As one who has directly employed Ozawa's services, I know him well. (Ozawa served as Takeshita's deputy chief cabinet secretary.) He is not the kind of man to formulate a strategy and carry it through precisely without error. But, if you assign him something like negotiating with the United States, for instance, he can do an admirable job of coordination. The image people have of Ozawa has been made much larger than life by the media. I have not seen him for a long time, and many people are saying he was changed a great deal by his illness, so I am a bit concerned."

Meanwhile, in Washington, Ozawa vowed "I will put together a new- new party by the end of September."

Some Say the Administration May Endure

Having taken the reins of power, Murayama quickly showed a surprising decisiveness, proving himself to be a real leader. He declared at the Japan-U.S. summit in Naples that Japan would "uphold" the Japan-U.S. Treaty of Mutual Security and Cooperation (previously "maintain"), followed by recanting his position on the unconstitutionality of the Japan Self-Defense Forces, then recognizing "the rising sun" as the national flag, and "Kimigayo" as the national anthem.

The irony is that Murayama was able to reverse these deep-seated tenets only because his roots lie in the far left of the SDPJ. Had anyone other than Murayama changed these policies, the SDPJ would certainly have been thrown into more of an uproar.

This kind of political 'turnaround' has happened quite often over the course of history. The fact that Shintaro Ishihara, a leading hawk within the LDP, was one of the first to come forward in support of Murayama is thought provoking. Just as Nixon moved to normalize relations with China, and Reagan opened a dialogue with the Soviet Union, it is actually quite easy for a leader to proceed down a path which runs counter to his previous positions. This is because at the very least, the party which brings a leader to power is unlikely to stand in his way.

There are now voices from within the LDP saying, "That old gent with the bushy eyebrows seems to be getting it done." Bureaucrats praise him with, "He picks things up so quickly it is hard to believe that he does not have prior cabinet experience."

For the time being, neither Murayama, Kono nor Takemura are planning on dissolving the Diet even if they complete the redrawing of the single-seat electoral districts. There are still three years left in this term of the House of Representatives. Nor is there likely to be a dissolution of the Diet or a general election until the House of Councilors elections next July.

These facts have lent themselves to the widening acceptance of the idea that "this administration may be in power for a while." The key here is whether the fallen and discredited Ozawa will be able to regroup for a counterattack. It seems that the cohesion of the anti-LDP forces, which revolved around Ozawa, is rapidly waning. However, they certainly will not remain in their present state of defeat. In the world of politics, where no one knows what will happen next, the fuse of the next political explosion is smoldering.

Hatoyama Says Ruling Parties Not To Merge

OW2509121494 Tokyo SANKEI SHIMBUN in Japanese 22 Sep 94 Morning Edition p 3

[Interview with Yukio Hatoyama, general secretary of Sakigake, by an unidentified SANKEI SHIMBUN reporter; place and date not given]

[Text] [SANKEI SHIMBUN] Three months have passed since the inauguration of the Murayama cabinet. What is your assessment of the performance of this government led by the Social Democratic Party of Japan [SDPJ], the Liberal Democratic Party [LDP], and Sakigake [Harbinger] in a coalition?

[Hatoyama] Although the Hosokawa government started with high popularity such as represented in the 80-percent approval rate in polls, the Murayama government had to begin with a low popularity rate in polls. As such, in the government there has been a tense air of uneasiness that "if we take only one wrong step, we will tumble down to self-destruction." Speaking as one inside the government, however, I can say now we are beginning to feel that the government has come onto the track of stability. I admit we must do some soul-searching on the poor result of a recent by-election for an upper house seat in Aichi Prefecture. But I think we have learned a good lesson from it—at this early stage of our government.

[SANKEI SHIMBUN] What is the reason for thinking that the government has come onto the track of stability?

[Hatoyama] For instance, the SDPJ, in its special party convention of September, decided to adopt policies which are realistic and thus can be supported by a majority of the people. This will enable the government to expand its scope of discussions. For another istance, now the LDP is very wary about criticism against it over such matters as "reemergence of zoku-giin [dietmember lobbysts]." Some ranking LDP officials go so far as to ask us, Sakigake members, to "put a brake on us if we are going in the wrong direction." In other words, they are making efforts to be with the public.

If you say a real measure of assessment of a government's performance is how well it has implemented its policies, I will note that the Murayama government has decided on the stand Japan should take on the issue of permanent membership in the UN Security Council, and that the government is also now in the process of making a decision on which way the tax reform should go. I think the mechanisms of the three parties working for "compromise and balance" are functioning well.

[SANKEI SHIMBUN] Don't you think the "compromise and balance" system is an impediment to the ability of making timely and bold decisions?

[Hatoyama] As long as the democratic process of arriving at a policy decision is considered important, taking a certain amount of time should be regarded unavoidable as well. I would like you to know that democratic process of government requires time and patience.

[SANKEI SHIMBUN] Sakigake claims to be playing a role of a "glue" between the LDP and the SDPJ. How can the party have its own identity while playing that role?

[Hatoyama] We want to be a true liberal party with a perspective somewhat different from that of conservatism. And by the expression "being liberal," I do not mean the fixed image of being antimilitary or dovish. We want to implement policies that depart from the "thinking of bureacrats" and go for the "stand of the people," and to perform the role of frankly telling the LDP and the SDPJ those things that need to be told.

[SANKEI SHIMBUN] Will the position of supporting the "stand of the people" not lead to the position of placing too much emphasis on welfare policy issues and thus to the position of going for a bigger government?

[Hatoyama] The party which talked so loudly and vehemantly about the need for an administrative reform in the course of debating the tax reform issue was none other than our Sakigake. You mentioned welfare issues, but there are so many different kinds of welfare issues. Japan has so many regulations dealing with nonprofit volunteer groups for the people concerned to be perplexed by them. If deregulation can be enforced in this area, that is likely to help the volunteer groups feel more worthwhile of their activities. Such deregulation can be a goal of welfare issues, too.

[SANKEI SHIMBUN] Do you think the three ruling parties can get together to cooperate in the forthcoming elections?

[Hatoyama] Our party has no intention of making concessions to either the LDP or the SDPJ in the next upper house election. Rifts within the ruling parties are desirable, but we would like to have our own independent candidates run and win seats for our party. In electoral districts where the opposition camp will have influential candidates run, it may be necessary for the ruling parties to agree on jointly sponsored candidates. But common sense tells us that cooperation in the elections in general will not be easy.

[SANKEI SHIMBUN] Some call for forming of a "new party of the LDP, the SDPJ, and Sakigake."

[Hatoyama] That the ruling parties are hurrying to form a new-new party cannot be a reason for us to get impatient. There is no ideological confrontation between the LDP and the SDPJ now, but there remain deep schism as far as individual policy matters are concerned. It is too early to think about integrating political parties based on the "logic of numbers" only. The ruling parties are now running the government in the spirit of yielding to each other, and that is contributing to maintenance of stability. Consequently, we do not see the need for merging into one party. The LDP and the SDPJ used to be as different as oil and water. The coalition government should be a good place where merits of both oil and water can be put to good use.

[SANKEI SHIMBUN] Some people call Sakigake head (and finance minister) Masayoshi Takemura a balcan [preceding word in English] politician, which means he always gets himself into a position within the ruling camp.

[Hatoyama] We as a political party have made decisions on the principle that we should not seek self interests, and we will continue to do so. Once a party comes to believe it "wants the power," it comes to lose ability to look things clearly. Once the party gets blinded by the greed for posts in government, it wants to shake hands with anyone without looking who he is. The basic policy of our party is not to do such a thing. It is not our intention to cling to the ruling camp or the government by any means.

* Sakurai on Fate of 'Illegitimate Coalition'

942A0679A Tokyo SHUKAN JIJI in Japanese 3 Sep 94 pp 27-29

[Article by Minoru Morita from the "Political Periscope" feature: "Sakurai's Remarks Expose Fate of Hypocritical, Illegitimate Coalition"]

[Text] According to news reports, former Environment Agency Director Shin Sakurai's speech at the press conference on 12 August went as follows: "Referring to Japan's role in World War II, I understand that General MacArthur has said something to the effect that Japan did not mean to be the aggressor, but that it had no alternative. I also believe that Japan did not intend to initiate a war of aggression. Once a war has begun, it can create an abnormal state of mind in persons engaged in war. In particular, soldiers at the frontline may have meant well, but they caused a lot of trouble. Therefore, in most cases, we need to apologize to some extent; however, we should not address this problem thinking that only Japan is at fault. On the contrary, because of Japan, most Asian countries were able to free themselves from European colonization."

As soon as Sakurai's remarks were reported overseas, a strong repulsion erupted. The South Korean Foreign Ministry summoned Shigeta, the acting ambassador to South Korea, protesting: "We are shocked by Mr. Sakurai's anachronistic remarks and deeply regret that his words have thrown cold water upon South Korea-Japan relations."

China's News Agency dispatched an article headlined: "Environment Agency Director Sakurai distorts historical facts on Japan's war of aggression," quoting Sakrai as saying: "Japan did not intend to initiate a war of aggression during World War II.... The Japanese people should not feel that only Japan was at fault."

Surprised by the South Korean Government's strong protest, Sakurai, on the evening of 12 August, met with the press and retracted his words, saying: "I agree with Prime Minister Murayama when he said in his keynote address that during World War II, Japan's invasions and colonial rule over other nations have caused much suffering and sadness to many peoples, and that based on his deep reflection, he has vowed to renounce all wars and to work towards world peace. In light of this, I consider my speech this morning to be inappropriate and wish to retract what I said."

But retraction alone could not save the situation. If the government handled this matter in a half-hearted manner, it would expose the inconsistent nature of the coalition government, which was formed only to obtain power. Fearing an exposure of its inconsistencies within the coalition, the Social Democratic Party of Japan [SDPJ] demanded Sakurai's resignation, and Sakurai was finally forced to resign. Ironically, this happened immediately before Sakurai was scheduled to attend a celebration party honoring him as the new Environment Agency director, to be held on 14 August by 2,500 supporters in his constituency, Nagaoka City.

It is surprising that too many cabinet members have made the same mistake of using improper words and then ended up having to resign, not having understood that their words would inevitably hurt the feelings of other Asian nations, such as Korea and China. It is more than their insensitivity that caused such grave outcomes. Over the past 10 years, there have been three cabinet ministers who have resigned because of their remarks on Japan's war responsibilities during World War II.

The first was Masayuki Fujio, education minister in the Nakasone Cabinet in 1986. In an interview with BUNGEI SHUNJU, Mr. Fujio said: "The Korean side was also responsible to some extent for Japan's annexation of Korea and this should be examined. Regarding the Nanjing incident, the truth remains to be found. Fujio's remarks were met by severe criticism from South Korea and China, causing Prime Minister Nakasone to replace Fujio.

The second cabinet minister to resign because of his war remarks was National Land Agency Director Seisuke Okuno in the Takeshita Cabinet in 1988. Okuno said at a press conference: "We are compelled to pay attention to China's reactions when we talk about the war, but it is shameful that the Japanese people have to worry about what Mr. Deng Xiaoping says and does . What kind of accusation is it to call Japan an aggressor? Japan, which had a closed-door policy at that time, had to defend itself against an invading white race, forcing it to open its door to foreigners." Okuno's remarks especially angered the Chinese, and he ended up resigning.

The third cabinet minister implicated by his war remarks was Justice Minister Nagano of the Hata Cabinet in May 1994. He said: "I believe the Nanjing incident was a fabrication." But because of severe criticism by Asian countries, including China and Korea, he was forced to resign.

Abnormal Predisposition of Politicians

In each case, the credibility of the Japanese people, as well as the nation of Japan, has diminished considerably. It is highly abnormal for Japanese politicians to repeat these questionable remarks, in spite of the frequent resignations of cabinet members. In his keynote speech on 18 July, Prime Minister Murayama countered criticism that his government was an "illegitimate government," saying: "as a result of the end of the Cold War, an era in which conflicting ideologies dominated the world-,....Japan too, has to adapt to the world situation and make great changes. We are now making a transition from the post-World War II politics—an age of confrontation by conservative and reform forces—to a period when debates on practical policy matters are held among politicians, who go beyond party and factional lines. This Cabinet was born against the backdrop of changing times, and it rose above the existing political structure."

However, Sakurai's remarks not only revealed that the coalition government has not resolved the conflict between conservative and reform forces, but also they have made clear that there is a difference of opinions regarding its assessment of World War II.

It is understood among the Liberal Democratic Party [LDP] members that Mr. Sakurai earned his cabinet post by being one of the most ardent promoters of the LDP-SDPJ coalition cabinet, working closely with LDP Secretary General Mori. Sakurai's remarks proved that the LDP-SDPJ coalition is an illegitimate coalition.

Editorial Criticizes Dominance of MOF

942A0718A Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Sep 94 p 2

[Editorial: "Success of One Ministry, the MOF, Is at Expense of Many"]

[Text] "No. 1, Section 1" has vanished from Kasumigaseki. We are not speaking of an address. "No. 1, Section 1" in the jargon of the Ministry of International Trade and Industry [MITI] refers to major policy initiatives presented to the Ministry of Finance [MOF] for funding as unified MITI-wide projects.

It appears that the residual effects of the personnel upheaval resulting from the removal of former Industrial Policy Bureau Chief Naito have adversely affected esprit de corps to the point where rough budget estimate submissions for fiscal year 1995 are a mere rehash of existing policies and reflect a lack of creativity.

This situation is not limited to MITI. Kasumigaseki is replete with comments that "current junior government officials display a paucity of creativity."

An influential former bureaucrat of the MOF states, "I feel sorry for the fact that the vertical organizational concept has gone to extremes and detracted from the broad-based perspective," and deplores the situation in saying, "When asked for an opinion, today's bureaucrats parrot the same words like a bunch of brainwashed inmates. It appears they are unable to express their own creative views."

A book by Saburo Shiroyama, titled *Bureaucrats' Summer*, was published in 1975. It was a book that depicted bureaucrats who spoke proudly of Japan during the high-growth period. Those were the days when the bureaucrats' naive sense of mission was acceptable. Bureaucrats and industry had united under the motto of "catch up with and surpass advanced nations." The citizens of Japan dreamed of extricating themselves from poverty.

However, when everyone awakened to reality, it was noted that corporations had expanded their network of interests beyond international borders and had come to disdain bureaucratic advice, while the public had become aware of a wide divergence between the measurement standards used by Kasumigaseki and their needs in the real world.

The Institute of Public Administration of the National Personnel Authority will conduct a seminar with the unified theme of "The Status of Government." Specifics to be discussed will include what course government officials should take. Bureaucratic organizations are about to lose their sense of direction. If we persist in antiquated elite perceptions and attempt to act arbitrarily with the attitude that, "unless we make a decision, no one else is qualified to do so," we face the predicament of becoming the target of widespread attacks.

One reason why bureaucrats are no longer able to exercise policy development capabilities is the downfall of the 1955 system and of the semi-permanent Liberal Democratic Party [LDP] government. At one time, more than 10 ad hoc committees operated under the supervision of the LDP Policy Research Committee and the only action required was to ensure that the chairperson of each ad hoc committee was skillfully briefed on the desired concepts. However, under current conditions, the materialization of a single policy requires visits to all of the political parties, while any error in the sequence of the visits or omission can lead to stifling persecution by ministers after a change in government. Accordingly, a trend is taking hold that embraces the philosophy that silence is golden.

The foremost cause for the loss of policy-development capabilities on the part of bureaucrats was the zero-ceiling concept imposed on budgets beginning in 1982. From that point on, budget (program) requests which previously were submitted through channels in a bottom-up approach were converted to the top-down approach. The MOF would distribute funding ceilings which provided for zero increases to each secretariat of the respective ministries and each secretariat would coordinate intraministry requests within its allocated ceiling.

Later, some provision was made for a separate ceiling, but the system for suppressing budget requests to an overall ceiling from the very beginning has lasted for 13 years. The budget compilation process, which once involved making decisions and taking actions in a professional manner, is now limited to some tinkering with growth rates for existing spending programs, and involves no creative and intellect-taxing efforts by requesting bureaucrats and no advance research by bureaucrats.

The same situation prevails under the circumstance where public works program spending has become fixed in terms of the various ministries and the percentage of funds allocated to each budget category.

Surging skyward behind the ceiling concept is the supreme goal of "fiscal reconstruction." The logic of authorities who allocate funds rather than that of agencies requesting funds goes unchallenged and, at this point, even MITI aligns itself with the policy of suppressing expenditures. MITI is now being severely degraded as the "International Trade and Industry Bureau of the MOF." MOF authority is being exercised extensively and the various ministries are shrinking under its shadow. This situation clearly depicts the domination of the MOF over all other ministries.

The role of the bureaucrat consists of policy development and seeking approval of such policies from politicians elected by the people. If at all possible, policies should be developed in a manner that allows for multiple options. It is also the function of the bureaucrat to convert politicians' concepts into practical planning documents. Bureaucratic organizations should become think tanks backed up by an abundance of information.

In October 1993, personnel of the assistant section chief class at MITI organized a study group. It was a forum for debating the long-term status of MITI and, after much lively discussion, it arrived at issue awareness which could be paraphrased as "government that decisively abolishes controls and maximizes market functions." The idea was to abolish a government that leads industry by the hand, to establish well-defined rules, and to allow industry to function freely within the prescribed arena.

As a result of the efforts of the study group, one of its leaders states that we must accept the potential situation where MITI no longer exists. If this concept were to permeate Kasumigaseki, it could become an epochal "No. 1, Section 1" [major policy initiative] leading to the 21st century.

Among rules that the markets must abide by include factors such as the Antimonopoly Law, the Public Liability Law, intellectual ownership rights, and environmental standards, and there is the issue of how to pursue the development of technology of enormous proportions which cannot be handled by the private sector alone. Rules pertaining to such programs require coordination of international systems, and preparation of draft plans requires bureaucratic efforts.

However, their ideas were not adopted as official basic policy. The reason given was that they were too bold.

The time has come for bureaucrats to undergo self-reform. Otherwise, corporations will become disgusted with government intervention and escape to other countries. Additionally, public distrust will also be exacerbated. On the other hand, politicians may exercise their authority and perform decisive surgery on bureaucratic systems.

Bureaucrats should be mindful of the fact they exist in full-fledged glory, when serving as targets for bashing.

Editorial Views Interest Rate Liberalization

942A0730A Tokyo YOMIURI SHIMBUN in Japanese 22 Sep 94 p 3

[Editorial: "What Must Follow Interest Rate Liberalization"]

[Text] Interest on demand deposits such as ordinary deposits and regular savings deposits will be deregulated effective 17 October.

Deregulation of interest rates, which began with the establishment of certificates of deposit (CD), will be consummated after 15 years, amidst "two globalization moves", including increased options available for earnable interest from massive issuance of government bonds and demands for globalization from the United States.

Deregulation of interest rates will enable the functioning of the competitive principle in allowing financial institutions to exercise judgment in the establishment of interest rates applicable to deposits and loans as a way to promote the interests and convenience of depositors and borrowers.

However, the process of deregulation in the past was accompanied by the conspicuous setting of uniform interest rates unchanged from the days of regulated interest rates. They say that interest on ordinary deposits from October will be raised merely 0.1 percent, limiting depositor benefits to a very minor degree. The purpose of the deregulation measure will probably be questioned.

Banks should endeavor to develop innovative new products that satisfy the basics of savings such as "safety, advantages, and convenience" without limiting itself to offering high-interest savings deposits.

Interest rates will be completely deregulated, but decontrol of operations, development of products, and deregulation of markets will still be incomplete. It is feared that the rigidity of regulation will cause the hollowing and degradation of the Tokyo financial markets. We must accelerate the pace of deregulation.

Deregulation of financial systems is plagued by several major problems.

Of foremost concern is the issue of financial institutions themselves. Deregulation of interest rates will intensify competition and expand risk in the operation of banks. Depositors will become more discriminating in selecting options, causing a definite acceleration of financial restructuring.

Banks' risk management capabilities will be severely challenged. Banks must thoroughly enforce the principle of self-accountability, free themselves from the inclination to act uniformly with other banks, and move actively to disclose bank operating results.

Government posture is also critical. In its interim report of a while back titled, "Financial Deregulation and the Preservation of the Soundness of Financial Institutions," the Financial System Research Council recommended that the Ministry of Finance abandon uniform guidance systems.

It is said that protective and supervisory measures that limit competition among financial institutions should be discontinued and that surveillance over the management of financial institutions should be left to the stock, bond, and financial markets. The reason for this approach is that the markets have the capability to flash warning signals by causing a decline in stocks and bonds of financial institutions with weak risk management systems and making it difficult for them to raise new capital.

The idea is that government should step back one pace and dedicate itself to monitoring actions such as bank audits. It may be of an epochal nature, but there is a need for a revolutionary change in perceptions to liquidate the mentor-protege relationship between the MOF and banks. This is a time for government and banks to make a resolution.

We should also question the status of government financial institutions. Such institutions were established to play an auxiliary role when financial markets were underdeveloped. Such institutions have become inflated through fiscal subsidies and depress the private sector. Government financial institutions not only fail to play a supplemental role but actually pose obstacles to desirable market principles. This is because they have limited cost awareness; they pose a problem that should not be tolerated.

The basic role of financial institutions is to assume and manage the risk of depositors and borrowers. J.A. Schumpeter, a representative 20th-century economist, stressed that the innovativeness of entrepreneurs and dynamism of capitalism were sustained by the assumption of risk and creation of credit by banks.

Banks' role and responsibilities in the restoration of prosperity in the Japanese economy are of major proportions. Government and the financial industry should prepare themselves for all possible contingencies resulting from "liberalization."

'Sweeping' Farm Reform Plan Unveiled

OW2409084194 Tokyo KYODO in English 0804 GMT 24 Sep 94

[Text] Tokyo, Sept. 24 KYODO—The farm ministry has hammered out a sweeping farm reform plan designed to boost productivity and raise the competitiveness of Japanese farms as Japan lifts the ban on imported rice.

The plan will be enacted over a five year period, beginning in fiscal 1995, ministry sources said Saturday [24 September].

Opening of the rice market to cheaper imported rice is expected to trigger a painful restructuring of the Japanese farming industry.

Starting in the next fiscal year, Japan will have to open 4 percent of the domestic market to imported rice, in order to comply with the Uruguay Round accord signed last year. The so-called "minimum access" level will gradually rise to 8 percent during the five years.

The Agriculture, Forestry and Fisheries Ministry's program is based on a report submitted last August by the Agricultural Policy Council, an advisory body to the prime minister.

The reform plan calls for incentives to increase the number of young people choosing farming as a profession by almost three times, from the current 4,400 to around 12,500 per year. The plan also calls for a big increase in farming businesses operated by individuals, to some 350,000 to 400,000.

The move is hoped to rejuvenate Japan's aging agricultural workforce. Population of Japanese farmers is rapidly aging with the median age between 35 and 44 decreasing, and the industry has found it increasingly difficult to attract new recruits.

The reform plan proposes increasing average annual wages of farmers in hilly areas from the current 2.5 million yen in fiscal 1990 to 4 million yen in fiscal 2000 by encouraging production of vegetables and other crops as well as rice.

The average wage in the farming industry is currently 20 percent lower than in other sectors.

The plan also calls for liquidating 1.3 million hectares of land currently under cultivation in small-scale, relatively inefficient farms, and the commissioning of new farm land for larger operations.

Under the plan, working hours for growing rice will be reduced by 40 percent in fiscal 2000 from an average 2,230 hours in fiscal 1993. Other measures include boosting the farm-related industries such as food processing and sightseeing.

The Finance Ministry has already indicated its opposition to the plan's targets, on the basis of the huge costs involved and the feasibility of the grand plan itself, the sources say.

Critics point out that some measures in the plan such as the promotion of food processing have little direct connection with the Uruguay Round.

'Key Points' of Reform Program

OW2409085594 Tokyo KYODO in English 0809 GMT 24 Sep 94

[Text] Tokyo, Sept. 24 KYODO—The following are main points of fiscal 1995-2000 agricultural reform program worked out by the Agriculture, Forestry and Fisheries Ministry, according to ministry sources.

—Farm businesses should acquire 1.3 million hectares of farmland by fiscal 2000 for more efficient and stable operations. Of the area, 1 million hectares should be available for sale or leasing.

—Under an agricultural reform plan, the number of new farm recruits should increase from 4,400 in fiscal 1992 to between 12,500 and 16,000 new recruits per year. The plan calls for the establishment of 350,000 to 400,000 individual farm businesses and 40,000 to 50,000 corporate farm businesses.

—The fourth long-term national farmland improvement project should be implemented two years ahead of schedule.
—The number of joint-use farm facilities, currently 24,000, should be increased to 33,000 in six years and ultimately to 44,000.
—The average annual farming household income in hilly areas should be increased to 4 million yen in fiscal 2000 from 2.5 million yen in fiscal 1990.

MHW To Reform Public Fund Investments

942A0687A Tokyo NIHON KEIZAI SHIMBUN in Japanese 25 Aug 94 p 5

[Text] The Ministry of Health and Welfare [MHW] plans on adopting a new system beginning next year whereby it will seek direct loans from the Special Pension Account to independently manage funds for its Public Pension Reserves as a means to improve the efficiency of its pension resources. It will enter into negotiations with the Ministry of Finance [MOF] shortly. Under the current system, the Pension Welfare Enterprise borrows and independently manages a part of the reserves for welfare pensions and public pensions issued to the MOF Capital Management Division from the Special Pension Account, but long-term efficiencies in the management of the funds cannot be attained because of the need to pay interest to the MOF Capital Management Division and a continuing situation exists in which interest payments are exceeding profits from the investment of funds due to the deteriorating investment environment. However, objections to the new concept are considered to be inevitable, because it runs the risk of undermining the Fiscal Investment and Loan Program.

As of fiscal year 1994, the Pension Welfare Enterprise is projected to be managing 21.85 trillion yen of public pension annuity reserves through contracts with trust banks and life insurance companies. The enterprise plans on increasing managed assets by 3.5 trillion yen in fiscal year 1995, and of that figure, 1 trillion yen will be converted to direct borrowings from the special account. It hopes to gradually increase the portion consisting of direct borrowings from the next fiscal year and convert all of the independently managed assets portion to direct borrowings in the future.

Fiscal Investment and Loan Program interest rates are applied to loans from the MOF Capital Management Division, but under the new concept, interest on loans from the special account will carry interest rates which are lower than those charged under the Fiscal Investment and Loan Program and according to sources at the MHW, "action will be taken to ensure that stocks will not have to be sold to meet interest payments." The plan is to maximize return on investments through long-term stock holdings in anticipation of the sharp increase in annuitants expected in the years 2010-2015.

In addition, the interest paid on loans from the special account will be of the variable type which is revised annually based on economic conditions. Loans from the MOF Capital Management Division are of the fixed-rate type and loans still outstanding from the high-interest period remain on the books, increasing overall debt financing costs, but variable-interest-rate loans will eliminate this problem.

Records of the Pension Welfare Enterprise for fiscal year 1993 independent investment activities indicate a return on investment of 4.6 percent and a higher cost on loans from the MOF Capital Management Division of 5.54 percent. The result has been a deficit for three years and accumulated deficits as of the end of fiscal year 1993 of 120.7 billion yen. The MHW fears that it will not be able to attain its goal of increasing pension resources under the present system. It also says that if management efficiencies can be attained under the new concept it will be able to increase pension assets and possibly minimize hikes in pension insurance premiums.

Reserves for welfare pensions and public pensions now total about 110 trillion yen. MHW states, "Funds other than the independently managed portion will continue to flow into the MOF Capital Management Division, thus minimizing any effect on the Fiscal Investment and Loan Program," but negotiations with the MOF are likely to undergo turmoil until the end of the year because the proposed changes hit at the very heart of the system which is said to be a "second budget" for the MOF.

Defense Industry To Ask DA To Develop New Planes

OW2309113994 Tokyo ASAHI SHIMBUN in Japanese 19 Sep 94 Morning Edition p 2

[Text] The aircraft manufacturing industry, including Mitsubishi Heavy Industries, Ltd. and Kawasaki Heavy Industries, Ltd., plans to ask the Defense Agency [DA] in the near future to include a plan to develop "technology testing aircraft"—which is designed to develop next-generation fighter planes in the future—in the government's defense buildup program from fiscal 1996 onward. Although mass production of new airplanes has now become difficult following the reduction of defense expenditures, the aircraft industry stresses "it is necessary to maintain and promote defense foundation technology." The period for developing the technology testing airplane is expected to take more than 10 years. The defense industry expects that one or two airplanes will be developed at a cost of approximately 100 billion yen.

According to Mitsubishi and other aircraft manufactures, the new airplane will be equipped with such technologies as composite materials made from synthetic resin, carbon fiber, and other materials; stealth technique which makes an airplane difficult to be detected by radar; and the "fly-by-light control" system which transmits signals for moving the main wing flap and the empennage through optical fiber. The next-generation Fighter Support X (FSX), which is now under development, will introduce the "fly-by-wire control" system which controls the main wing and other parts by transmitting computer signals through electric wires. However, the use of optical fiber will enable transmission of a large quantity of signals, and this will help lighten an airframe.

As a review of the Japanese defense program is now under way following the end of the Cold war, the aircraft industry is facing the problem of how to maintain technicians and technological ability for development. While the Defense Policy Council, an advisory panel to the prime minister, noted the need to maintain foundation technology in August this year, it stated that it would be necessary to reduce production of fighter planes.

In response, the aircraft industry intends to maintain and develop home-made technology by developing technology testing aircraft designed to develop fighter planes in the future. Since the current defense buildup program is supposed to be completed in fiscal 1995, the industry wants the DA to include the plan to develop the new aircraft in the next defense buildup program from fiscal 1996 onward.

While some DA officials support this request by the aircraft industry, others are negative about it, saying "it is impossible to acquire technology essential for fighter planes, by developing demonstration aircraft on the premise that makers will not go into quantity production." For this reason, the DA reportedly plans to take a final decision within fiscal 1995 on whether it will seek funds for the plan from fiscal 1996 onward.

Joint Satellite Development Project Described

OW2409050994 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Sep 94 Morning Edition p 3

[Text] The Ministry of International Trade and Industry [MITI] has agreed with Australia, Saudi Arabia, and Indonesia to jointly develop a system to survey underground resources using remote-sensing satellites. In fiscal 1995, the three nations will join a radar development project now under way by MITI and Japanese space instrument manufacturers, such as Mitsubishi Electric Corporation and Toshiba Corporation. The development project is expected to be completed by the year 2000. Mineral resource probing is regarded as a prospective field of future space development, and Japan, Europe, and the United States are going to compete fiercely with each other in this technological field. MITI thinks the tie-up with the oil exporting nations will accelerate Japan's development project, now under way.

Using radar systems, earth probing satellites survey the land from an altitude of about 600 kilometers to detect oil, natural gas, nonferrous metals, and other natural resources. Japan, Europe, and the United States already have their own earth probing satellites; however, their radar systems are for the most part equipped with "optical sensors," which detect the reflection of sunlight. The existing system has a weak point in operating in bad weather.

The four countries' joint project is aimed at development of a detector called a "synthetic aperture radar" and a data analysis system. The new radar system surveys the ground using the reflection of emitted radio waves, and, therefore, the system is not affected by weather conditions.

A MITI-affiliated organization started development of the new radar system with the participation of five space instrument manufacturers, including Mitsubishi Electric, Toshiba, NEC Corporation, and Fujitsu Ltd., as well as the Japan National Oil Corporation. It is the first time Japan has decided to participate in a full-scale space development program with countries other than the United States and European nations.

The four countries plan to inaugurate a joint working group in April 1995. The Japanese Government will bear the development costs, estimated at 10 billion yen, and the three other nations will provide geological data on oil fields to help Japan's development of analysis methods. Aiming to launch an earth probing satellite equipped with the new radar in 2001, MITI will call for cooperation from other government agencies.

At present, natural resource probing is mostly carried on as seismic exploration or ultrasonic geological surveying on ground. MITI believes the new radar "will certainly make resource probing less expensive and more accurate" (as noted by the Machinery and Information Industries Bureau).

Report on Efforts in Satellite Technology

OW2409042794 Tokyo ASAHI SHIMBUN in Japanese 13 Sep 94 Morning Edition p 4

[Article by Science Department Staffers Tatsuhisa Yoshie and Yoshihiro Saito: "Is the H-2 a 'Money-Eating Bug?'"]

[Text]**Problem Is To Reduce Cost**

When Japan attempted to launch the technological test satellite "Kiku [Chrysanthemum] No. 6" utilizing the Japanese main line "H-2" rocket, it failed in the satellite phase even though it succeeded in the rocket phase. The satellite was unable to attain its intended stationary orbit. And Japanese space development, which had aimed at launching large stationary satellites, hit a wall. But the independently developed technological level which was fostered through Kiku No. 6 is not at all inferior to world standards. There are also many future launch plans which will affect the Japanese people's daily lives. We hope they will steadily improve technology and challenge the problems of reducing rocket launching costs and of developing a satellite with fewer risks.

Because of the successful launch of rocket No. 2, following rocket No. 1 in February, the Japan National Space Development Agency says that the H-2's "performance ability is fully confirmed." "In proportion to its great propulsive force, the rocket is light." The tokyo office of the Ariane Space Company (Europe), which is a leader in commercial satellite launching, also recognizes the H-2's superior ability.

The H-2 is a two stage system rocket. As for the "LE-7," the main engine for the first stage which produces the most propulsive power at launch time, a two step combustion cycle method is employed. This method, the only utilized by the U.S. space shuttle and so on, is fuel efficient, and produces strong propulsive force. Also, the second stage engine has gained a 20 percent propulsive force increase over the previous H-1 engine.

The weight is about half that of European and U.S. rockets of similar capability. The interior wall of the fuel tank is scraped off like that of a beehive, so it is lighter. Its strength is also greater.

The reason Japan developed the H-2 with 100 percent domestic technology was also because it wanted to be independent of the United States in space technology. Japan failed to put into orbit the experimental stationary communication satellites "Ayame" [Iris] and "Ayame No. 2" succesively in 1979 and 1980. It sought to investigate the cause, but the small satellite engine which had malfunctioned was U.S. made, and Japan side had the bad experience of not being allowed to see either its design nor manufacturing records.

The development of the H-2 has cost 270 billion yen [Y]. The cost of launching one rocket was Y19 billion. This is about twice the amount for the Ariane rocket, $100 million (about Y10 billion.) If the exchange rate had remained at Y240 to the dollar as it was at the time of the planning, "we should be able to compete with Ariane" (according to the agency), but due to the subsequently high yen, in the end this has become a very expensive rocket.

Responding to this situation, "an approximate 30 percent cost reduction is possible" (according to the agency) by taking the following measures: the launch facility at the Tanegashima Space Center, Kagoshima Prefecture, is to be expanded so that, although it is currently capable of launching only two rockets a year, the set-up will permit four rockets to be launched annually; parts should purchased in volume, cheaper parts should be imported, and so on. An utmost effort for that purpose cost cutting is needed.

There is also a plan to utilize the H-2 to enrich people's lives, such as the provision of detailed weather information, new communications techniques such as mobile communications, the launching of satellites useful for the development of global resources, and so on. There is also a plan to study global environmental changes through international cooperation.

We should wait a while longer and see the results before we judge whether or not the H-2 is a "money-eating bug."

Our Independent Efforts at Satellite Size-Reduction

It has become difficult for the Kiku No. 6 to completely fulfill its main task, which is to develop as a leading communications technology for stationary orbit. However, the secondary but nonetheless important purpose of obtaining technology for controlling a large satellite, even one in an eliptical orbit, can be fully achieved.

To maintain the orbit, an attitude control device has been developed which can produce propulsive power with less fuel than in the past. Research on this type of device has been going on throughout the world for the past 30 years, but it was actually utilized for the first time by Kiku No. 6.

Also, as for the small engine which is used to put the satellite into stationary orbit, it has become more efficient compared to earlier versions because of improvements made in liquid fuel. Japan has actively acquired the technology for which it had no achievement in the past and tried not only to catch up with the world, but rather to become the immediate leader. This was the correct choice, although with Kiku No. 6, the small engine's thrust did not succeed because of a valve malfunction.

With such improvements, it is said that it is possible to put the equivalent of 3 tons of communications equipment on board the Kiku No. 6, which is a 2 ton class satellite.

What has come to be sought for the satellite is longer life and lower cost. To achieve these, size increase has been going on for the world's satellites, especially for stationary satellites used for communications/broadcasting.

The larger the satellite, the more fuel it can carry, so satellite life will become longer and the frequency of launching successor satellites will be reduced, thus reducing cost. Also if the load of machines and equipment it can carry at one time is greater, the manufacturing and launch cost per unit of weight can be lowered. But as Japan is trying to catch up with the trend to increase size, there is also a world-wide move to reconsider this trend.

That is a move to develop a small satellites under 500 kilograms and launch them frequently. These have less capacity per single load, but the manufacturing cost is low. The aim is to spread the risk of launch failure.

The European Satellite Agency (ESA) and U.S. enterprises are proposing a communications network plan which uses many small satellites. As for observation of the earth, it seems to be polarized into two separate systems: the 2-3 ton class satellite method which carries multiple pieces of observation equipment and the small satellite method which conducts only a single type of observation.

The United States plans to reduce the weight of equipment which controls communications/observation through the use of the latest optical technology and computer theory. To reduce the size of satellites, there is no other way than to reduce the weight of the brain and to make it highly efficient.

As for increasing size, the Japanese satellite has come close to the world standard. But the previous Japanese response has been to chase after the developed countries. As for future size reductions, the effort is to seek an independent and as risk-free a manner as possible, independent satellite technology ahead of world standards.

MITI Developing New Satellite Sensors

942A0709A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 19 Sep 94 p 2

[Text] The Ministry of International Trade and Industry [MITI] will make use of next-generation satellite sensors that will be completed around 2000 in resources development and environment monitoring in Indonesia, Saudi Arabia, etc. MITI will directly transmit topographical information obtained from the satellite sensors or supply it in a image processed form. The thinking is that hereafter MITI will discuss methods of utilizing satellite information with the nations concerned and have that reflected in the development of actual equipment which will start in fiscal 1996.

MITI is proceeding with research on the next-generation model of synthetic aperture radar (SAR). It is carried onboard a satellite, beams a microwave at the ground surface, captures the reflected waves, and obtains topographical information. SAR is carried aboard the "Fuyo No. 1" global resources satellite that was launched in February 1992, but the next-generation model will have improved resolution capability and scanning range.

The SAR topographical information has a wide scope of uses such as oil exploration and environment monitoring. For example, the probability of striking an oil field is improved by finding two sites where the ground surface has been folded by SAR and a making a boring survey between them.

MITI dispatched the persons in charge to Southeast Asian regions such as Indonesia, the Philippines, and Thailand in February this year and to Saudi Arabia in June to sound them out about next-generation SAR information. Indonesia and Saudi Arabia showed particular interest and, in the future, they will exchange opinions on proceeding further. MITI will transmit data directly to nations that have ground reception facilities and supply image-processed information to countries without ground stations.

Conceptual design of the next-generation SAR is being performed with research expenses of about 40 million yen earmarked each for fiscal 1993 and 1994. MITI is also incorporating a little less than 300 million yen in the fiscal 1995 draft budget. If design work proceeds smoothly, development of the actual equipment will begin in fiscal 1996. Total development expenses are anticipated to top 10 billion yen. The satellite that will carry it has not yet been decided, but it is estimated that it will be in service around 2000 and, parallel with development of the actual equipment, appeals will be made to numerous foreign countries for joint use.

Environment Agency Reports on Global Warming

942A0711A Tokyo NIHON KEIZAI SHIMBUN in Japanese 14 Sep 94 p 39

[Text] Eighty percent of the sandy beaches nationwide will disappear and 40 percent of Japan's representative forests of beech will vanish at the end of the 21st century with the advance of global warming. The Environment Agency [EA] announced a report on 13 September forecasting how the Japanese archipelago will change in the future with the influences of warming. Based on research by experts, it is a compilation of changes to the ecosystem such as the shape of the coastline and plant distribution, and the report points out that warming will deeply influence the social economy of Japan. The EA will publish this report in October and is thinking of making a wide appeal to people in general about the importance of the global warming problem.

This report is "The Influence of Global Warming on Japan." It is premised on the forecast by the UN "Intergovernment Panel on Climate Changes" that "the air temperature will rise by 3 degrees and sea level by 65 centimeters by the end of the 21st century," and has compiled the influences of warming on Japan by the year 2100 based on the research of experts from national research institutions and universities, including the National Institute for Environmental Studies.

When sea level rises 65 centimeters, it is forecast that 15,600 hectares, corresponding to about 81 percent of existing sandy beaches, will be eroded. In addition to all the sandy beaches in Okayama Prefecture being eroded and disappearing, almost all the sandy beaches in Okinawa, Yamagata, and Shimane will also sustain erosion damage.

The current land area of about 861 square kilometers that is lower than high tide sea level will expand over 1.6 times. Moreover, if the air temperature increase is rather big and the sea level rises 1 meter, it will expand 2.7 times, there will be a population of 4.1 million people and 109 trillion yen in property within it, and the areas in danger of high tides and tsunamis will expand 40 percent.

Moreover, as the result of warming, the distribution of trees will move further north than present and, besides moving to areas rather high above sea level, there also will be trees that become extinct, unable to live with the speed of the warming. In the case of the beech, which is a typical tree in northern Honshu, 40 percent will disappear, and there will be a change to oak forests. In sea life, seaweeds such as tangle which like cold water will decline, and while abalone, turban shells, sea urchins, and other strongly sedentary creatures who eat these will decline on the one hand, the offshore distribution area for herring, mackerel, saury, and others will widen and the catches will increase. It seems that the salmon catch will decrease.

The nationwide annual precipitation also will increase about 10 percent, but on the other hand, the amount of evaporation and frequency of droughts will increase. There will be a lot of rain in winter and, although the flow of rivers will increase in the winter season, the snow melt water will decrease because of the reduction in the snow pack, and a decrease of the river flow in early spring is anticipated. Lake eutrophication will progress and will influence the operation of water resource-related facilities such as dams and reservoirs.

There will be a great influence on agriculture, and the current japonica rice will be difficult to cultivate in rice paddies of southwest Japan with the high temperature impediment, and it seems that it will be necessary to hybridize it with the indica rice that is cultivated in Southeast Asia. The rice crop harvest in the Tohoku region will increase. It generally will become a disadvantage to cultivate agricultural crops in southwest Japan, even for other crops, and there will be a great positive influence on Tohoku and Hokkaido. However, it is believed that harmful tropical and subtropical insects will newly take root.

In addition, in the health aspect, besides the fierce heat of the summer season affecting the health of old people, there is a possibility that malaria will spread in Okinawa and elsewhere due to the invasion of animals which inhabit the tropics and subtropics.

Group Draws Up Environment-Protection Standards

OW2609131294 Tokyo KYODO in English 1157 GMT 26 Sep 94

[Text] Tokyo, Sept. 26 KYODO—The International Organization for Standardization (ISO) has drawn up a draft accord for world standards on environment protection and corporate activities, Japanese Government officials said Monday [26 September].

The centerpiece of the draft agreement is a rule which requires companies of the endorsed countries to announce their policies and goals for environmental protection and to set up an action program to attain the goals, the officials said.

The draft agreement also includes a plan to establish an auditing system—like that for company accounts—to check whether each corporation's environmental-protection activities are in line with international standards, they said.

The ISO plans to approve a certifying label for products which meet the standards so consumers can recognize it, according to the officials.

They said the international standards on environmental conservation will be launched in January 1996 if all preparations go smoothly.

After the standards are set, Japan will include them in the Japan industrial standards, the officials said.

The ISO, established to set global standards for products and units to promote international cooperation in research and development projects as well as in economic activities, has worked on the environmental protection standards since 1993.

The draft accord was compiled in its latest meeting held in Vienna last week, the Japanese officials said.

Kansai Electric Creates In-House Think Tank

942A0710A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 16 Sep 94 p 31

[Text] Kansai Electric Power has established an in-house think tank that will specialize in mid- to long-range business environment investigation and analysis and data base construction. It will have exchanges with think tanks and research centers of various countries of the world and, along with those related to electric power such as energy and the global environment, it will do research on a broad range of themes, including international problems and cultural and civilization questions. It will make use of midcareer hiring for the researchers and, for the time being, will have a team of about 15 people. The think tank will prepare a position that can respond to changes in the business environment that surrounds electric power companies such as relaxation of electric power regulations and long-term electricity resource development.

The in-house think tank was established within the Planning Office under the name of Research Group. There are 18 established research themes such as international problems with China and the Democratic People's Republic of Korea (North Korea) and the image of the future with relaxation of regulations. Since it is recognized that "symbiosis with local companies is indispensable" in the future development of electricity resources, it is establishing many themes with a critical mind on local symbiosis such as cultural and civilization questions, human rights problems, and crisis management.

In the future, the think tank will promote exchanges with research centers and think tanks at home and abroad, and accumulate data for each theme. Currently, there are 10 think tank personnel. By the latter part of this month, employment action will begin, targeting business school graduates and those with think tank work experience. There are already 43 applicants and it is considering the employment of about five people.

Kansai Electric Power is anticipating midcareer hiring, saying, "We need people with a wealth of expert knowledge and an independent view amidst the great changes in the business environment of electric power companies such as relaxation of regulations" (Personnel Resources Office). In order to resolve the situation where development of electricity resources is becoming difficult, electric power companies have the concept of "local symbiotic power plants" linked to local development and promotion of employment, making use of the special features of power plants.

The greatest role for the established think tank will be to gather data and make plans on creating these power plants.

North Korea

FM: IAEA Resolution 'Unreasonable Pressure'

SK2509093694 Pyongyang KCNA in English 0923 GMT 25 Sep 94

["FM Spokesman Rejects 'Resolution' of 38th General Assembly Session of IAEA"—KCNA headline]

[Text] Pyongyang, September 25 (KCNA)—The spokesman of the Foreign Ministry [FM] of the Democratic People's Republic of Korea in a statement today dismissed the "resolution" adopted at the 38th session of the General Assembly of the IAEA urging the DPRK to "allow access to all information and sites related to safeguards" and "fully implement the safeguards agreement," as an attempt to put unreasonable pressure on the DPRK in the name of a "resolution" of the international community.

The statement said:

The adoption of another "resolution" against the DPRK at the General Assembly of the IAEA manipulated by dishonest forces, at a time when the DPRK-USA dialogue is in progress, is an open challenge aimed at laying artificial obstacles in the way of a negotiated solution to the nuclear issue and driving the situation back to the original point of confrontation.

We resolutely reject the recent "resolution," regarding it as the same attempt as the previous "resolutions" adopted by the IAEA to infringe on the sovereignty and the security of the DPRK.

We are now in a unique status after a temporary suspense of the effectuation of our declared withdrawal from the non-proliferation treaty.

If the IAEA is willing to resolve the nuclear issue fairly, though belatedly, it must take practical measures to rectify the partiality of its secretariat and revoke the unreasonable "resolutions" including the "resolution on special inspection."

If the IAEA, bereft of impartiality and independence, continues to be used as a tool for pressure on the DPRK, despite our repeated warning, we will have no other way but to reconsider the goodwill measures we have taken so far concerning the inspection by the IAEA.

Resolution 'Slandering' North

SK2509092894 Pyongyang KCNA in English 0918 GMT 25 Sep 94

["IAEA Must Take Practical Measures To Revoke Unreasonable 'Resolutions' Against DPRK, FM Spokesman"—KCNA headline]

[Text] Pyongyang, September 25 (KCNA)—The spokesman of the Foreign Ministry [FM] of the Democratic People's Republic of Korea issued a statement today, rejecting the unreasonable "resolution" against the DPRK adopted at the 38th session of the General Assembly of the International Atomic Energy Agency [IAEA].

The statement says:

Recently the International Atomic Energy Agency adopted a "resolution" groundlessly slandering the DPRK again over the "nuclear inspection."

It has been reported that the 38th session of the General Assembly of the IAEA held in Vienna some time ago adopted a "resolution" urging the DPRK to "allow access to all information and sites related to safeguards" and "fully implement the safeguards agreement."

Obviously, this is an attempt to put unreasonable pressure on the DPRK in the name of a "resolution" of the international community.

We cannot but take a serious view of the adoption of the "resolution" because it coincides with the United States deploying an aircraft carrier flotilla in the East Sea of Korea and making a military threat to the dialogue partner.

This shows that some forces that dislike the resolution of the nuclear issue resort to a foolish "double-dealing tactics" in a bid to wrest more "concessions" from the dialogue partner, browbeating it with "diplomatic pressure" and "military threat" behind the facade of talks.

This ill-boding development of the situation reminds one of the time when a campaign for pressure and "sanctions" was launched in the United Nations and a military threat was made against the DPRK with the adoption of an unreasonable "resolutions" at the meeting of the board of governors and the General Assembly of the IAEA in September last year as a prelude.

The adoption of another "resolution" against the DPRK at the General Assembly of the IAEA manipulated by dishonest forces, at a time when the DPRK-USA dialogue is in progress, is an open challenge aimed at laying artificial obstacles in the way of a negotiated solution to the nuclear issue and driving the situation back to the original point of confrontation.

We resolutely reject the recent "resolution," regarding it as the same attempt as the previous "resolutions" adopted by the IAEA to infringe on the sovereignty and the security of the DPRK.

We are now in a unique status after a temporary suspense of the effectuation of our declared withdrawal from the non-proliferation treaty.

Moreover, we have withdrawn from the IAEA after its unreasonable "sanctions." So, we are not obliged to recognise or implement any "resolution" of the IAEA.

This being the stark reality, whatever "resolution" the IAEA may adopt, it is no more than a sheet of blank paper to us.

If the IAEA is willing to resolve the nuclear issue fairly, though belatedly, it must take practical measures to rectify the partiality of its secretariat and revoke the unreasonable "resolutions" including the "resolution on special inspection."

If the IAEA, bereft of impartiality and independence, continues to be used as a tool for pressure on the DPRK, despite our repeated warning, we will have no other way but to reconsider the goodwill measures we have taken so far concerning the inspection by the IAEA.

The member nations of the IAEA must no longer be involved in the infringement on the sovereignty and security of a sovereign state, if they wish a fair settlement of the nuclear issue.

Political Figures on IAEA Nuclear Issue Stance

SK2609113194 Pyongyang KCNA in English 1018 GMT 26 Sep 94

["IAEA Must Not Create Complexity in Solution of Nuclear Issue on Korean Peninsula"—KCNA headline]

[Text] Pyongyang September 26 (KCNA)—An Indian political figure and a Mozambican organization recently denounced the discussion of the "nuclear issue" of the DPRK at the September meeting of the Board of Governors of the International Atomic Energy Agency (IAEA) in defiance of the opposition of a large number of countries. B. Tiwary, general secretary of the Delhi state committee of the Socialist Party of India, in his statement on September 19, said that, if the IAEA was really interested in the peace and security of the Korean peninsula, they must no more politicize the "nuclear issue" or create complexity in its solution.

Recalling that the general director of the agency again demanded "special inspections" of Pyongyang at the September meeting of the Board of Governors, he said this was a very irresponsible and provocative act deliberately to put brakes on the DPRK-USA talks. "The Secretariat of the agency should sincerely study again the origin of the nuclear issue of the Korean peninsula and take a measure, first of all, to completely remove the nuclear threat to Pyongyang.

The Mozambican Committee for Friendship With the People of the Democratic People's Republic of Korea in a statement said it is a mockery of and challenge to the Korean people and world people for the IAEA to call for "special inspections" of socialist Korea, not abandoning partiality and double standards.

Stressing that the "nuclear issue" of Korea can be settled only through DPRK-USA talks, the statement urged the IAEA to promptly discard partiality in the "nuclear issue" of Korea.

Delegation to Talks With U.S. in Berlin Returns

SK2409133194 Pyongyang Korean Central Broadcasting Network in Korean 1307 GMT 24 Sep 94

[Text] A delegation led by Kim Chong-u, vice chairman of the External Economic Committee, whose experts participated in the Berlin DPRK-U.S. meeting regarding the provisions for constructing a light-water reactor in accordance with the agreed statement between the DPRK and the United States of America, returned home by plane on 24 September. Relevant officials, including Vice Foreign Minister Choe U-chin, greeted the delegation at the airport.

Chief Delegate on Status of Geneva Talks

SK2509045894 Pyongyang Korean Central Broadcasting Network in Korean 0308 GMT 25 Sep 94

[Report on a news conference held by Kang Sok-chu, first vice foreign minister and chief DPRK delegate to DPRK-U.S. talks, at the North Korean mission in Geneva on 24 September]

[Text] Regarding the second session of the third round of the DPRK-U.S. talks, chief DPRK delegate Kang Sok-chu, first vice foreign minister, held a news conference at our country's mission in Geneva on 24 September.

In the news conference, he said the following:

The current session is a continuation of the talks that were held in August. At the August talks, the DPRK and the United States agreed on a final goal [chongchakjom] for the resolution of the nuclear issue. Concrete steps to reach the final goal, which were agreed at the last talks, will be discussed at the current session.

The important thing here is, first, the issue of providing light-water reactors to our substantial advantage [silsogitke] so that it is appropriate to scrap the graphite-moderated reactors. We will thoroughly implement the freeze of graphite-moderated reactors only under the condition that the U.S. side firmly guarantees light-water reactors.

Accordingly, the nuclear issue will be clearly resolved once the provision of light-water reactors is completed. In other words, the so-called nuclear suspicions on us will be completely dispelled when we receive light-water reactors and get rid of graphite-moderated reactors.

Our stance on this matter is clear and consistent [myongbaekhamyo sijongilgwanhada]. The U.S. side should make clear the provision of light-water reactors and should shoulder the responsibility for its implementation to the end.

It takes time to wind up the provision of light-water reactors. Therefore, the U.S. side's guarantee of light-water reactors should be clear [myongbaekhayoya handa] at the beginning stage.

Providing a guarantee will serve as a starting point for the solution of the problem. According to the guarantee given by the U.S. side, we will also freeze part of our nuclear activities at the starting point [migukchugui tamboe ttara, urido chulbalchomui kyonjieso, haek hwalttongui ilburul tonggyol hage toelkosida]. As practical steps are taken by the United States for the supply of light-water reactors henceforth, our steps for nuclear freeze will also be expanded.

Second, there is the problem of compensating for the loss from the nuclear freeze. In the compensation, prompt simultaneous action should thoroughly be made. In other words, at the time when we freeze nuclear sites, material compensation for it should be concurrently made [tasi marhayo, uriga haek sisoldurul tonggyol hanun sichomeso, kue haedanghan mulchilchok posang umjigimi tongban toeoya handanungosida].

Third, there is the matter of both parties to the talks respecting each other and refraining from threatening acts. In August talks, the DPRK and the United States agreed to resolve the nuclear issue on the principle of trusting and respecting each other. However, an abnormal situation occurred recently in which the United States seriously threatens us.

The deployment of a vast armed forces, including an aircraft carrier battle group, to the seas of our country, will seriously hinder [chijangul chuge] and threaten the talks. It could even lead to the rupture of the talks [chachithamyon hoedam chacherul patanero ikkurogalsudo itta]. We are watching the moves of the dishonest forces [pulsun seryokdul].

Replying to the reporters' questions, the first vice minister stated: We do not know that there is the so-called South Korean-type light-water reactor. Under the circumstances where the North- South relations are extremely abnormal because of South Korea's recent act, we are not in a position to accept it. And we have never admitted special inspections. [tukpyol sachariran injonghae ponjogi optta] However, we will be prepared to demonstrate the transparency of our nuclear activities at such a time when the DPRK and the United States trust each other completely [taman apuro chomiga soro wanjonhi silloehage toenunttaee kaso, uriui haekhwalttongui tumyonsongul poyojul yonguiga issul ppunirago haessumnida].

KCNA Version of News Conference

SK2509091694 Pyongyang KCNA in English 0908 GMT 25 Sep 94

[Text] Pyongyang, September 25 (KCNA)—Kang Sokchu, first vice foreign minister and head of the delegation of the Democratic People's Republic of Korea, called a press conference at the DPRK mission in Geneva on September 24 as regards the second session of the third round of talks between the DPRK and the United States of America.

He told reporters:

The current talks are the follow-up of the talks held in August. At the August talks the DPRK and the U.S. agreed on the terminals of a solution to the nuclear issue.

At the current talks the sides will discuss detailed measures to reach the terminals agreed on at the last talks. What is important here is firstly that the United States substantially provides the DPRK with light water reactors commensurate with its renunciation of the graphite-moderated reactor program.

We will freeze the graphite-moderated reactors conditional on the definite supply of LWRs [light-water reactors] by the U.S. side. So, the nuclear issue would be fully resolved with the provision of LWRs completed. In other words, if we receive LWRs from the U.S. and give up the graphite-moderated reactors, the socalled "nuclear suspicion" against the DPRK would be totally dispelled.

Our position on this matter is clear and consistent. The U.S. must definitely guarantee the provision of LWRs and must be fully responsible for this. It takes time to complete the supply of LWRs. So, in the first stage, the U.S. guarantee for the provision of LWRs must be clear. This guarantee is the starting-point of the solution of the issue.

Depending on the U.S. guarantee, we will freeze part of our nuclear activities as the starting-point. Our steps of freezing the nuclear activities will be expanded in keeping with the practical steps of the U.S. for the provision of LWRs.

Secondly, it is the matter of making a compensation for the freeze of nuclear activities. In compensation, simultaneous actions must be strictly taken. In other words, the moment our nuclear facilities are frozen, there must be a sign of an appropriate material compensation for it.

Thirdly, it is a matter of the sides respecting each other and refraining from taking a threatening action.

At the August talks the sides agreed to resolve the nuclear issue on the principle of trusting and respecting each other. However, there have been abnormal developments of late in which the United States seriously threatened the DPRK.

The U.S. has deployed a vast armed force including a carrier flotilla in the waters off Korea, threatening us. This will be a grave obstacle to the talks.

This may drive the talks itself to a collapse in a moment. We are keeping tabs on the moves of the dishonest forces.

Answering questions put by reporters, Kang said:

We do not know that there is "a light water reactor of South Korean type." And we have never approved "a special inspection." We are only willing to show the transparency of our nuclear activities when the DPRK and the U.S. fully trust each other.

Possible End of Nuclear Freeze

SK2409234594 Pyongyang Korean Central Broadcasting Network in Korean 2110 GMT 24 Sep 94

[Report on the DPRK Foreign Ministry spokesman's answer to a question posed by KCNA on 24 September]

[Text] A spokesman for the DPRK Foreign Ministry on 24 September answered a question posed by KCNA regarding the fact that the conservative hard-line faction [kanggyong posu saeryok] in the U.S. military is strengthening the outright military provocative maneuvers against us at a time when the second session of the third round of the DPRK-U.S. talks is taking place in Geneva.

He said the following: Timed with the current Geneva DPRK-U.S. talks, the conservative hard-line faction in the U.S. military has deployed a large-scale carrier battle group in our country's East Sea as well as sloppily enumerated [magu nuronokoitta pokon] outbursts opposing us.

The U.S. Pacific Fleet commander openly threatened us by saying that the current deployment of the U.S. carrier battle group is aimed at supporting the DPRK-U.S. talks with force.

Regarding this, at the current Geneva DPRK-U.S. talks, we strongly called the U.S. reckless military provocative maneuvers [mubunbyolhan kunsajok tobal chaektongui] into question and demanded that the United States take steps to stop it at once. Responding to this, the U.S. side attempted to justify its acts by letting out a string of excuses that the deployment of the U.S. carrier battle group is a routine military activity and that the remark of the U.S. Pacific Fleet commander is only a personal opinion.

The fact that the United States is showing such an ill-boding military movement [simsangchianun kunsajok umjigimul] at a time when the DPRK-U.S. talks are taking place can never be justified. Herein lies the black-hearted intentions [umhyunghan soksem] of the conservative hard-line faction in the U.S. military. This reflects its deceptive nature aimed at getting concessions during the talks by putting military pressure on us outside the meeting place.

On 23 September, on the day the DPRK-U.S. talks began, U.S. Defense Secretary Perry candidly revealed its evil heart [hyungsim] saying that it is necessary to assume a stern stance against North Korea in conformity with the development of U.S.-North Korean negotiations. This is a clear proof of this.

Dialogue and military threat can never stand together [taehwawa kunsajok wihyobun choltaero yangrip toelsu opta].

It is a miscalculation if the United States thinks it can get some kind of concession from us by combining force and diplomacy. It is the disposition [kijil] and will of our people and Army to confront to the end dialogue with dialogue, and force with force.

The conservative hard-line faction in the U.S. military, indulged in bravado and bluster [hojang songsehayo] in the wake of the Haitian situation, is attempting to lay an obstacle to the DPRK-U.S. talks. This is a truly foolish attempt.

If the United States regards us as a small island in the Caribbean and acts recklessly, it will have to pay a dear price for it. The United States should clearly reveal its stance whether it will choose a negotiation method or a military one.

Our stance is that the issue should be resolved through fair dialogue. The conservative hard-line faction in the U.S. military, however, comes out in a showdown stance, we have no intention of continuing the talks while receiving military threats.

If the United States continues its military threat maneuvers, we cannot but reluctantly call off the measure of temporarily freezing the nuclear activities that were taken for the talks, and take on the road of resuming the normal nuclear activities [urinun pudugi hoedamul wihayo chwihayotton haekhwaldongui ilsijogin tongyol chochirul haejehago chongsangjogin haek hwaldongul chegaehanun killo nagaji annul opsulgosida].

If a catastrophic [pakugjogin] situation is created due to this, the conservative hard-line faction in the U.S. military should be held totally responsible for it.

We will closely watch the future action taken by the United States and will make a clear-cut [myongbaekhan] decision on this.

U.S. Carrier Battle Group Deployment Reported

SK2409021594 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 23 Sep 94

[Text] According to reports, the U.S. military paper STARS AND STRIPES revealed on 22 September that the United States has deployed a carrier battle group in the East Sea of Korea.

Quoting the new U.S. Pacific Fleet commander, the paper reported that the carrier battle group consists of the aircraft carrier Kitty Hawk, three cruisers, a frigate, and two logistics ships.

Regarding this, an official of the U.S. Defense Ministry made an excuse that the U.S. warships were there for routine training. However, the new U.S. Pacific Fleet commander, in an interview held in Tokyo on 22 September, stated that the very strong military force can greatly influence diplomacy.

This incident agitates us and shows that the United States is still clinging to the dangerous maneuvers to further aggravate tensions on the Korean peninsula.

U.S. Transfers Nuclear 'Technologies' to Japan

SK2409050694 Pyongyang KCNA in English 0446 GMT 24 Sep 94

["Japan Must Open Real State of Her Nuclear Armament to International Community, DPRK FM Spokesman"—KCNA headline]

[Text] Pyongyang, September 24 (KCNA)—A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea Saturday answered a question put by KCNA concerning the recent transfer of nuclear weapon technologies to Japan by the United States.

He said:

The Greanpeace, an international environmental supervisory group, some time ago published a report that the United States, in violation of the Nuclear Nonproliferation Treaty, has illegally transferred to Japan since 1987 nuclear technologies developed at the facilities of nuclear weapon production.

Greanpeace in its report demanded that the United States stop all its nuclear cooperation with Japan and the latter return all the technologies and information to the United States.

The report may be considered to have made an affirmative contribution to the exposure of the true picture of the U.S. double-standard policy, a major obstacle to the international efforts for nuclear non-proliferation, and maintenance of impartiality.

In prompt response to the report of the Greenpeace, the U.S. Department of Energy announced the discontinuation of all its cooperation program with Japan on September 9. But Japan is keeping mum.

This suggests that the United States has long since helped Japan in nuclear armament in secrecy and Japan has attained her purpose with the former's assistance.

This issue has been raised between the United States and Japan which have been loud-mouthed about nuclear non-proliferation at a time when the question of the transference of nuclear technologies and nuclear matters has become a serious topic of international debate. This clearly proves who is the very one responsible for nuclear proliferation.

The terrific outcries raised by the United States and Japan over the fictitious "nuclear problem" of the DPRK were, to all intents and purposes, a camouflage for concealing their own dark colour.

The U.S. announcement of suspension of its nuclear cooperation with Japan after helping her complete her nuclear armament is not helpful at all to nuclear non-proliferation. This is, in fact, something in the nature of causing illness and then administering medicine.

It is an open secret that Japan has completed her nuclear armament long ago.

Japan's nuclear armament is a grave threat not only to regional peace and security but also to the international nuclear non-proliferation system. In desperately trying to become a member of the United Nations Security Council composed of nuclear states, Japan seeks to legally obtain the same position of a nuclear state as them.

Japan, though belatedly, must open to the international community the real state of her nuclear armament thus far, since the United States has reflected on the fact.

If international nuclear non-proliferation is to be achieved, the international control on the transference of nuclear technologies and nuclear matters must be tightened, coupled with the efforts for the complete elimination of nuclear weapons.

Spokesman Denounces U.S. 'Military Threats'

SK2509083594 Pyongyang KCNA in English 0828 GMT 25 Sep 94

["Dialogue Is Incompatible With Military Threats: DPRK FM Spokesman"—KCNA headline]

[Text] Pyongyang, September 25 (KCNA)—A spokesman for the Foreign Ministry [FM] of the Democratic People's Republic of Korea answered a question put by KCNA on September 24 as regards the open military provocation intensified by the hardline conservative forces in the U.S. military, synchronising with the second session of the third round of talks between the Democratic People's Republic of Korea and the United States in Geneva:

The spokesman said:

Timing to coincide with the DPRK-USA talks in Geneva, the hardline conservative forces in the U.S. military let loose a spate of belligerent outbursts against the DPRK while deploying a large aircraft carrier flotilla in the East Sea of Korea.

Worse still, the commander of the U.S. Pacific Fleet openly threatened the DPRK by declaring that the deployment of the carrier flotilla was aimed "at backing the DPRK-USA talks with strength."

In this connection, at the on-going DPRK-USA talks, we took a serious view of the reckless military provocation of the United States and demanded that a measure be taken to stop it at once. The U.S. side, however, tried to justify its act, claiming that the deployment of the carrier flotilla was "a routine military action" and the "remarks of the admiral of the U.S. Navy were not the stand of the U.S. administration but his personal stand".

Such ill-boding military move of the United States at a time when the DPRK-USA talks is underway can never be justified with anything. Lurking behind it is the sinister intention of the hardline conservative forces in the U.S. military. This reveals their inborn double-dealing tactics to wrest a concession inside the conference room by putting military pressure outside it.

This was made plain when the U.S. Defence Secretary William Perry declared on September 23, the day of the opening of the DPRK-USA talks, that "it is necessary to take a firm stance against North Korea depending on the future developments of U.S. negotiations with North Korea", thus openly disclosing his sinister intention.

Dialogue is incompatible with military threats.

It is a mistake, if the United States thinks that it can wrest a concession from the DPRK by combining strength with diplomacy.

It is the disposition and will of our people and army to resolutely answer dialogue with dialogue and strength with strength.

The hardline conservative forces in the U.S. military, puffed up with conceit over the Haiti situation, are now trying to obstruct the DPRK-USA talks. This is really a foolish act.

If the United States acts recklessly, slighting the DPRK as it does a small island in the Caribbean, it will have to pay dearly for this.

The United States must make clear whether it favors negotiation or the military method.

It is our stand to solve the issues through a fair dialogue. But, if the hardline conservative forces in the U.S. military persist in its confrontational stance, we are not willing to hold talks, even tolerating military threats.

If the United States persistently resort to military threats, we will have no other choice but to rescind the step of temporary freezing of our nuclear activities we have taken for the talks and resume our normal peaceful nuclear activities.

In case a catastrophic situation is created by this, the hardline conservative forces in the U.S. military will be wholly responsible for it.

We will sharply follow the future moves of the United States before we adopt a definite decision.

'U.S. Imperialist Aggression Army' Condemned

SK2509082494 Pyongyang KCNA in English 0813 GMT 25 Sep 94

["Military Provocations of U.S. Imperialists and South Korean Puppets"—KCNA headline]

[Text] Pyongyang, September 25 (KCNA)—The South Korean puppets and warlikers of the U.S. imperialist aggression army staged a war game aimed at a joint aerial preemptive strike at the northern half of Korea in the skies above Kunsan, Tokjok Islet and the West Sea of Korea on September 20 and 21 with the mobilisation of more than 400 warplanes of various types, according to military sources.

On the night of September 21, 105mm artillery groups of the puppet army stationed in Kanghwa Island and Taeyonphyong Islet close to the North went off into a war hysterics, firing several dozen shells toward the coastal waters of the West Sea of Korea. Earlier, on September 20, armed bandits of the puppet army who took position on the ridge of a nameless hill north of Panjong-ri, Yonchon County, a forefront area, fired more than 1,000 bullets at random with a large-calibre machine gun.

The war-thirsty elements of the U.S. imperialist aggression army and the Kim Yong-sam fascist clique must stop all the war moves putting brakes on the improvement of the relations between the DPRK and the United States.

ROK Public Denounces Reactor Offer 'Obstacles'

SK2609103494 Pyongyang KCNA in English 1013 GMT 26 Sep 94

[Text] Pyongyang, September 26 (KCNA)—South Korean people of various strata are lifting up voices denouncing the Kim Yong-sam group for laying deliberate obstacles in the way of DPRK-USA talks over the provision of light water reactors.

An official of the Korea Electric Power Corporation said:

"When the relations between the North and the United States are being improved, the authorities are trying to use Ulchin reactors Nos. 3 and 4 for a political purpose, labelling them as 'South Korean type,' the reactors which are not South Korean made and are still under construction on a foreign design and with U.S. technology. I am surprised by their behavior.

"This is intended to obstruct the improvement of relations between the North and the United States. This attempt of the Kim Yong-sam group will inevitably come to a failure."

A university professor of politics in Seoul said:

"Kim Yong-sam maliciously worked to isolate and stifle the North through 'an international cooperation' over its suspected nuclear development. And now he is making a fuss over the provision of 'South Korean-type light water reactors' that do not exist. Lurking behind it is a sinister purpose".

Pointing out that Ulchin reactors Nos. 3 and 4 now under construction are U.S. made, he said: "It is an insult to the nation and an intolerable folly for Kim Yong-sam to shamelessly offer to provide the U.S.-made reactors to the North, describing them as 'South Korean type.'

"With Kim Yong-sam left in power, neither the improvement of North-South relations nor reunification can be expected."

A certain Kim participating in the construction of the Ulchin atomic power station said:

"I, a man involved in the construction of the atomic power station, am ashamed of hearing the claim that Ulchin reactors Nos. 3 and 4 are 'South Korean type.' All the people of the world scorn this claim. At the South Korea-U.S.-Japan working-level consultative meeting for the provision of light water reactors held in Washington some time ago, the U.S. side said 'there are many limitations to the transfer of the technology of the South Korean-type reactors,' putting the South Korean delegate out of countenance.

"The Kim Yong-sam group is attempting to obstruct the DPRK-USA talks and block the implementation of the agreed statement between the North and the United States by thrusting its nose into it over the question of light water reactors. This will, however, only result in its utter isolation and rejection at home and abroad."

A third-year student of the course of human studies of Seoul national university, surnamed Choe, said:

"Where is the 'South Korean-type light water reactor'? Ulchin reactors Nos. 3 and 4 are a mixed breed and a patchwork of old U.S. light water reactors. They are not a newly developed type.

"The Kim Yong-sam group which once begged for 'sanctions' against the North over nuclear suspicion, is now resorting to this shameless act to put a spoke in the wheel of DPRK-USA talks."

South Accused of 'Military Provocation' in DMZ

SK2509082894 Pyongyang KCNA in English 0815 GMT 25 Sep 94

[Text] Pyongyang, September 25 (KCNA)—The South Korean puppets committed a military provocation against the North side by illegally introducing large-calibre machine guns and bandits armed with machine guns and automatic weapons into the Demilitarized Zone (DMZ) in the west sector of the front on September 22 and 23, according to a military source.

The reckless provocative moves which are daily becoming undisguised in the DMZ is part of the premeditated schemes of the Kim Yong-sam fascist clique to throw a wet blanket over the DPRK-USA talks and bring the situation on the Korean peninsula to a higher pitch of strain.

'Civilian Mask' of ROK Government Condemned

SK2509085894 Pyongyang KCNA in English 0852 GMT 25 Sep 94

["People's Desire Cannot Be Realized With 'Civilian'-Veiled Traitor Clique Left Alone"—KCNA headline]

[Text] Pyongyang, September 25 (KCNA)—With such a flunkeyist traitor and fascist dictator as Kim Yong-sam left alone in South Korea, independence, democracy and reunification, the desire of the South Korean people, can never be realised, says NODONG SINMUN in an article today.

Noting that the crimes committed by the Kim Yong-sam group under the "civilian" mask in South Korea, challenging the desire of the people for independence, democracy and reunification, are shocking and serious, which have brought monstrous consequences, the author of the article says:

In a brief period after coming to power, the Kim Yong-sam group committed treacheries in selling off the vital interests of the nation to outside forces, that dwarf those committed by the preceding flunkeyist traitors.

It promised to bear the whole burden for the maintenance of the U.S. imperialist aggression forces in order to keep them in South Korea indefinitely and has introduced more combat equipment for aggression, further turning South Korea into a military base and a nuclear forward base of foreign forces.

The treacherous rice market opening by the Kim Yong-sam traitor clique has driven the South Korean economy as a whole, including agriculture, into a more serious crisis.

In no more than ten months after its assumption of office, till December last year, the Kim Yong-sam traitor clique let loose a total of 524,200 police into the suppression of the people of all walks of life who turned out in a struggle for independence, democracy and reunification, arresting more than 870 people and leaving some 600 wounded.

The anti-national, anti-reunification acts of the Kim Yong-sam traitor clique in South Korea are casting a shadow on the prospect of peace of the country and its reunification.

It is the lesson drawn by the South Korean people themselves that there is nothing to expect of the "civilian regime" in South Korea.

The traitor clique of Kim Yong-sam, a mucky sycophant traitor, fascist dictator and the enemy of reunification, will face a stern judgement by history.

VNS Airs Article Admiring Kim Chong-il System

SK2609090194 Pyongyang Korean Central Broadcasting Network in Korean 0245 GMT 24 Sep 94

[Text] The Seoul-based radio Voice of National Salvation [VNS] broadcast an article by Kim Kwang-chol, a South Korean journalist, under the title "The Sun Shines Brilliantly." We will broadcast during this program Kim Kwang-chol's article.

Wild rumors are spreading in South Korea these days concerning the election in the North of the head of the party and state. The members of the Chongwadae [presidential offices] clan, who have stopped being human beings, are recklessly making absurd remarks such as the North's political instability and internal discord. Even though it is being regarded that politics is being carried out without knowing much about the North, they know too little. It is like they are carrying out politics obstinately—they pretend not to have seen, not to have listened, and not to have known. This reminds one of a drowning man holding on to a straw. This is only a last resort of those who are driven to the edge of a cliff.

If there is political instability in the North, how can all the North Korean people, embraced with the sadness of having lost President Kim Il-song, express condolences up until today—two long months since his death—and how can the great procession of perfect harmony between the leader [yongdoja] and the people promising loyalty to the leader [chidoja] Kim Chong-il be so orderly? also, almost all of the high-ranking cadres of the party and state went to the Yonbaek plain, located near the armistice line, quite distant from Pyongyang, and looked over the bumper crop and encouraged the farmers. Soldiers who are to defend the country's security with guns laid down their weapons in the rifle stands and built a bridge on Taedong River and are constructing the Tangun tomb. How can the soldiers who are taking part in such peaceful work in full force be seen? Also how can we explain the fact that the North's special envoys are being dispatched to China and Libya, and that the North's delegates are facing the United States at the negotiating table for the expert-level talks for the successful fruition of the DPRK-U.S. talks?

Whatever anyone says, the overflowing feelings of all the people in the North mourning over President Kim Il-song, the loud rhythms of construction, and top news of the North winning victory after victory in diplomacy are convincing evidence of the maximum political stability and national unity of the North's society.

The world's media, which are focusing on the North more than ever before, cannot find even a single trace of confusion in North Korea. Phenomena of hopeless situation or uprising [soyo], which can be seen in some countries, cannot be found. The media are reporting everyday that North Korea is not changing its policies at all amid an atmosphere of a stabilized society.

Of course, when viewing world history, it has been a custom to elect the next head of state right after the state leader's death. This was probably because the problem of the successor was not solved smoothly in theory and practice. When viewing the modern period, whenever a political leader's position has been left vacant, ambitious politicians have scrambled for power and many countries have experienced internal confusion because of a military coup d'etat.

A country's political stability wholly depends on its political leader [chidoja]—the leader [yongsu]. Just like a person has to be smart to perform his duty worthily and the head of a family has to be smart to lead a family to happiness, in the case of a county and nation, the leader [yongsu] must be an extraordinary figure who is the brain of the people and nation and who is in the center, to guarantee sovereign rights, independence, happiness, stability, and prosperity.

If we understand it as elucidated in the principle of the chuche philosophy, the leader [suryong], the party, and the masses are one social and political organic body, are the main force of the movement for change, and here, the leader [suryong] is the brain and center of unity. The question of the leader [suryong] is a truly (?important) issue related to fate of the nation, the victory or defeat of the movement for change, and its future.

As a good fortune of our nation, for the first time in the 5,000- year history, we are upholding President Kim Il-song, the great sun of the nation, as the leader [yongsu] of the nation. Therefore, the people of the North have been living overflowing with optimism enjoying to their hearts content their sovereign rights and a happy life in a strong socialist country of self-dependence, self-support, and self-reliant defense and an ideal country where the ideology of believing in the people as in heaven has been realized.

What is important in the question of the leader [suryong] is the question of the successor, that is, the next leader [suryong]. If the question of the successor is not solved correctly, the independent cause pioneered by the leader [suryong] will go up in smoke, the country will suffer pains, and the people will be in a life and death crisis.

This is a piercing lesson left in the movement for change by various countries of the world.

In addition, the cause pioneered by the leader [suryong] is not a problem that should be solved in a short time, but is a long-term cause that should be completed generation after generation.

President Kim Il-song, eternal savior of our nation, successfully solved the question of succession dozens of years ago with farsightedness, assuming responsibility not only for the present but also for the future of the nation. The sagacious leader [yongdoja] Kim Chong-il, the great man of the century, was elected as successor to President Kim Il-song with the reverence of all the people.

As stressed by an organization of Canada's National Alliance for the Country's Reunification in its memorial speech on President Kim Il-song's death, in the early days President Kim Il-song already looked into the future, firmly laid the foundation for the succession of the revolutionary cause, and prepared himself to achieve the task of national independence. He also lead the dear comrade leader to firmly stand at the vanguard of the leadership. Such spirit originates from his great and outstanding statesmanship [kyongryun] with great farsightedness; it is a proud spirit for the nation's future. This is the most distinguished exploit of the respected and beloved President Kim Il-song, for which the entire nation is most grateful to him.

Of course, it goes without saying the leader [yongdoja] Kim Chong-il's election as successor to President Kim Il-song was a natural result of his abilities and qualities.

Therefore, it is highly significant to recall what I read in TONG-A ILBO's 10 October 1993 article: The leader [chidoja] Kim Chong-il has been involved in various fields throughout North Korean society since the 1960's, and has consolidated his position as successor with his own efforts and achievements. Because of his actual experience in various fields—including the party, politics, and military affairs—he has firm dignity and leadership ability. Therefore, there is no alternative but the leader [chidoja] Kim Chong-il.

According to data recently collected by me, the leader [yongdoja] Kim Chong-il began to work with the Workers' Party of Korea Central Committee in 1964. Over the past 30 years since then, he has published more than 890 important works, guided important meetings on over 900 occasions, and issued on-the-spot guidance to some 2,460 units across the North, including industrial establishments, cooperative farms, institutions, schools, shops, Army units, neighborhood units, and families.

These figures are not only numerous, but it is more significant because they include everything, such as his ideological and theoretical activities, political leadership, and overall consideration of the popular masses.

Anyway, these figures alone are enough to vividly show the great personality of the dear comrade leader who has made enormous achievements while faithfully inheriting and applying the idea and politics of the great President Kim Il-song.

The leader [yongdoja] Kim Chong-il, who possesses both literary and military accomplishments and who is loyal and filial, has already and wisely led the overall work of the party, state, and Army for a long time. In the course of this, he has displayed his perfect personality, qualities, and abilities as leader [yongsu]; with them, he has firmly demonstrated his status [wisang] at home and abroad.

He has regarded President Kim Il-song's theory on "believing in people as in heaven" as a motto, and has formed a harmonious whole [honyonilchi], sharing his ideas, destiny, and breath with the popular masses. As a son of the popular masses and father of the nation, he has consolidated his position [chiwi].

In the North, the sagacious leader [yongdoja] Kim Chong-il's system was consolidated long ago, based on a strong political and social foundation. Today, the popular masses in the North say they will be victorious if the leader [yongdoja] Kim Chong-il exists, and that there is no fatherland without him. This is not coincidence. It is extremely foolish for the South Korean authorities to talk about such realities in the North.

The sagacious leader [yongdoja] Kim Chong-il has played a role as the leader [yongsu] for a long time. All popular masses in the North have accepted this as [word indistinct], and have upheld him as the dear leader, the respected supreme commander, and the great leader [yongdoja]. They regard this as natural.

As such, there is no need to go out of the way to hastily carry out the official function of electing the head of the party and state. It is not likely that some unusual phenomena will occur in North Korea.

For the first time in the 5,000-years of the nation's history, amid this period of social and political stability, the people of North Korea are not able to forget the respected and beloved President Kim Il-song, the founder and father of the nation who provided a new life for the people, nor are they able to calm themselves after the sadness of losing him. As such, it goes without saying how much the leader [yongdoja] Kim Chong-il is grieving, he who has been highly praised as a devoted son being ever so loyal to President Kim Il-song while the latter was alive.

With the true mind of a devoted son, he deeply took into consideration the feelings of the people who have long been mourning the death of President Kim Il-song, saying: "We do not need to carry out the election in haste. We must not in the least artificially restrain the bitter and painful feelings of the people who deeply revere the fatherly leader [suryong]."

Truly, there is no greater and more magnificent people in the world than our people, and there were no such people in any other period of history. We have been blessed not only with the leader [suryong], but also with the people. The leader [suryong] fostered such people.

How can we organize elections and yell hurrah at a time when the people's seething sorrow have not yet been calmed? Kim Chong-il said he cannot do it by any means. This is a magnificent measure that could be undertaken only by a truly warm and peerless great man, the genuine leader [yongdoja] of the people.

As a result, amid the loftiness of the decorum of carrying out filial piety for the respected and beloved President Kim Il-song, the official election of the head of the party and state has been naturally postponed by the unanimous thinking of the leader [yongsu] and the people. This is probably a phenomena that cannot be found in any period of history, in any country, and among any people.

This is a wonderful thing that could be done only by such a peerless great man as the sagacious leader [yongdoja] Kim Chong- il; it is a beautiful story that could be told only in such a country as the North, with a flawless political system in perfect order with all-people unity.

The lofty trait of the leader [yongdoja] Kim Chong-il, the true son of the nation, is to become of one mind with the people who are eternally upholding the great President Kim Il-song. Also, amid the ruthless winds of the world's situation that are by no means quiet, all the people have firmly united as one, expressing sorrow and successfully upholding national affairs. As such, in the advantageous appearance of the North's society, I feel all the more certain of the sagacious leader [yongdoja] Kim Chong-il's loyalty, self-confidence, boldness; of the fatherland's reunification; and of the future of our nation. These days, I feel I always see the sky, which is fair and clear.

In any case, on this occasion we deepen our belief that the leader [yongdoja] Kim Chong-il's system is flawless and orderly; we feel reassured a thousand times, conscious of our being closer to the leader [yongdoja] Kim Chong-il, the leader [yongsu] and sun of the nation, who stands in the van of the march for the prosperity of our nation and the establishment of a reunified state of the fatherland.

I conclude this article by saying that the sun shines brilliantly over the heads of the people.

ROK Groups Invited to Tangun Tomb Ceremony

SK2609105294 Pyongyang KCNA in English 1027 GMT 26 Sep 94

[Text] Pyongyang, September 26 (KCNA)—A political party and organisations of the Democratic People's Republic of Korea sent letters to their South Korean counterparts and individuals, inviting them to the ceremony for the completion of the tomb of Tangun, the father of the Korean nation, slated for early October.

The Central Committee of the Korean Social Democratic Party addressed letters to President Yi Ki-taek, permanent adviser Kim Sang-hyon and Chairman Yi Pu-yong of the Democratic Party of South Korea, Chairperson of the Special Committee for Women of the Democratic Party Yi U-chong, General Director of the Asia-Pacific Peace Foundation Kim Tae-chung, Co-chairmen Kim Tong-kil and Pak Chan-chong of the New Democratic Party, Chairman Yi Chong-chan of the New Korea Party, former Prime Minister Kang Yong-hun, former Unification Minister Han Wan-sang, Co-chairman of the People's Council for Democracy in the Reunification Era Kim Kun-tae, Director of the Institute of Reunification Affairs Paek Ki-wan, Chairman of the South Korean Human Rights Association Pak Han-sang and Co- chairperson of the Council of the Family Movement for Realising Democracy Pak Yong-kil. And the Central Committee of the Democratic Front for the Reunification of the Fatherland sent letters to Permanent Chairman Kwon Chong-tae and Permanent Adviser Kye Hun-che of the National Alliance for Democracy and Reunification and Permanent Co-chairmen Yi Chang-pok, Kim Sang-kun and Pak Sun-kyong of the National Council for Independence and Peaceful Reunification.

The Central Committee of the General Federation of Trade Unions of Korea sent a letter to Chairman Yang Kyu-hon of the National Council of Trade Unions; the Central Committee of the Union of Agricultural Working People of Korea to Chairman Yun Chong-sik of the National Federation of Peasant Associations; the Central Committee of the Korean Democratic Women's Union to Co-chairpersons Han Myong-suk, Yi Yong-suk and Yi Mi-kyong of the South Korean Federation of Women's Organisations and Co-chairpersons Yi Hyo-chae and Yun Chong-ok of the South Korean Council for Measures on the Volunteer Corps Problem; the Central Committee of the League of Socialist Working Youth of Korea to the South Korean Council of Democratic Youth Organisations; the Central Committee of the Union of Educational and Cultural Workers of Korea to Chairperson Chong Hae-suk of the National Teachers Union; the Central Committee of the General Federation of Literary and Art Unions of Korea to General Director Yom Pu-ung of the South Korean General Federation of National Artists; the Korean Student Committee to the South Korean Federation of General Student Councils; and the North side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) to Chairman Kang Hui-nam of the preparatory committee for the formation of the South side headquarters of Pomminnyon.

The letters say that the ceremony for the completion of the tomb of Tangun which has been reconstructed to suit the grandour of the founder of the nation is an auspicious national event which will demonstrate to the whole world Korea's history of 5,000 years and the stamina of the homogeneous nation.

The letters promise the guarantee of the personal safety and all conveniences to those who visit the North to attend the ceremony, adding that they may come to Pyongyang through Panmunjom or a third country.

Religious Groups Invite Counterparts

SK2609112894 Pyongyang KCNA in English 1036 GMT 26 Sep 94

[Text] Pyongyang, September 26 (KCNA)—Religious organizations of the Democratic People's Republic of Korea sent letters to their counterparts in South Korea as regards the ceremony for the completion of the tomb of Tangun, the father of the Korean nation, scheduled early in October.

The Korean Religionists Council sent letters to Kim Mong-un, chairman of the South Korean Religionists Peace Council; the Central Committee of the Korean Christians Federation to O Chong-il, chairman of the National Council of Christian Churches of South Korea, and Cho Yong-sol, chairman of the Human Rights Committee, Kang Mun-kyu, secretary general of the National Federation of Christian Youth Councils, and Pak Hyong-kyu, general director of the Council for Non-governmental Exchange between South and North; the Central Guidance Committee of the Korean Chondoist Federation to Toha O Ik-che, former leader of the General Headquarters of Chondoist Center, and An Ho-sang, general leader of the Tangun Taejonggyo; the Council of Roman Catholics of Korea to Cardinal Kim Su-hwan; and the Central Committee of the Korean Buddhists Federation to Choe Chi-son, permanent chairman, and Pak Chin-kwan, vice-chairman, of the National Alliance of the Buddhist Movement, Song Wol-chu, chairman, and Sin Pob-thae, permanent vice-chairman of the Buddhists Council for the Promotion of the Peaceful Reunification of Fatherland.

The letters invited them to the ceremony for the completion of the tomb of Tangun.

Scholars Invited to Tomb Ceremony

SK2609112394 Pyongyang KCNA in English 1031 GMT 26 Sep 94

[Text] Pyongyang, September 26 (KCNA)—The Academy of Social Sciences of the Democratic People's Republic of Korea sent letters to South Korean scholars inviting them to the ceremony for the completion of the tomb of Tangun, the father of the Korean nation, slated early in October.

The letters were addressed to Chairman of the Research Society of Korean History Chong Chang-yol, Chairman of the Institute of Korean History Pak Yong-sok, Chairman of the Korean Archaeological Society Kim Pyong-mo, Chairman of the Korean History Institute Han Yong-kuk, Professor of Tongguk University Kang Chong-ku, President of Tankuk University Chang Chong-sik and its Professor Yun Nae-hyon, Professor of Seoul National University Yi Son-pok, Professor of Sogang University Yi Ki-paek, Deputy Director of the Institute of Historic Questions Yi I-hwa, Professor of Hanyang University Yi Yong-hui, Managing Director of HANGYORE SINMUN Song Kon-ho, Director of the Yogang Publishing House Yi Sun-tong, Professor Emeritus of the College of Liberal Arts and Science of Seoul National University Ho Ung, Professor Emeritus of Korea University Kim Min-su and Professor of Sungsin Women's University An Pyong-uk.

Stating that during the stay of the scholars in Pyongyang, the personal safety and all conveniences will be provided to them, the letters said that they may come to Pyongyang through Panmunjom or a third country.

Further on Letters Sent to ROK

SK2609064494

[Editorial Report] Pyongyang Radio Pyongyang in Korean to South Korea at 1305 GMT on 25 September carries a six-minute report on letters of invitation sent by a political party and public organizations of the DPRK to ROK political parties and public organizations on 25 September to attend the dedication ceremony for the tomb of Tangun, the first king of mythical Ancient Korea, in early October.

The report first carries a letter from the Korean Socialist Democratic Party Central Committee to Yi Ki-taek, executive chairman of the Democratic Party; Kim Sang-hyon, standing adviser of the Democratic Party; Democratic Party Chairman Yi Pu-yong; Yi U-chong, chairman of the Special Women's Affairs Committee of the Democratic Party; Kim Tae-chung, chairman of the Asia-Pacific Peace Foundation; Kim Tong-kil and Pak Chan-chong, co-chairmen of the New Democratic Party; Yi Chong-chan, president of the New Korea Party; former Prime Minister Kang Yong-hun; Han Wan-sang, former minister of the National Unification Board; Kim Kun-tae, co-chairman of the National Conference for Democracy in the Era of Reunification; Paek Ki-wan, director of the Reunification Affairs Institute; Pak Han-sang, chairman of the ROK Human Rights Association; and Pak Yong-kil, co-chairman of the Council of the Family Movement for Democracy. "Cordially" inviting the above-mentioned addressees to the "national felicitous event" and "historic dedication ceremony," the letter also says that "personal safety and all conveniences" will be ensured during their stay in Pyongyang and that they may arrive via Panmunjom or through third countries. The letter also expresses the hope that the addressees will make an affirmative reply.

The report also mentions three other letters with the same contents sent from 1) the Democratic Front for the Reunification of the Fatherland Central Committee to Kwon Chong-tae, standing chairman of the National Alliance for Democracy and National Reunification [Chongungyonhap], and Kye Hun-che, standing adviser to Chongungyonhap; 2) the Democratic Front for the

Reunification of the Fatherland Central Committee to Yi Chang-pok, (Kim Hyang-kon), and (Pak Sun-pyong), standing co-chairmen of the National Conference for Independence and Peaceful Reunification; and 3) the North Side's Headquarters of the National Alliance for the Country's Reunification [Pomminnyon] to Kang Hui-nam, chairman of the Preparatory Committee To Form the South Side's Headquarters of Pomminnyon.

Kim Yong-sam's Remarks on Irregularities Viewed

SK2409044894 Pyongyang KCNA in English 0438 GMT 24 Sep 94

["Shameless Utterances of One Estranged From People"—KCNA headline]

[Text] Pyongyang, September 24 (KCNA)—The traitor Kim Yong- sam at a recent assembly of the "Democratic Liberal Party" clan prattled that "answers to all questions must be found in what the interests of the people are" and blared that he would not allow "the collective selfishness of a minority" in any case. Commenting on this, MINJU CHOSON today says this is a shameless rigmarole that can be uttered only by one who is engaged in swindles, reversing black and white.

The analyst notes:

Kim Yong-sam, a truculent fascist and traitor under the "civilian" mask, is not entitled to talk about "the interests of the people" and "the liquidation of collective selfishness" at all.

The traitor Kim Yong-sam has brutally suppressed the righteous struggle of the people for the right to existence and for independence, democracy and reunification, branding it as "collective selfishness" and "an enemy-benefitting act" and committed a treacherous act of filling the purses of the U.S. munitions complexes with "national funds", raised with the blood taxes from the South Korean people. For the traitor of this kind to brand the people's struggle for the right to existence and democracy as "collective selfishness" is the height of impudence, which reminds one of a thief crying "stop thief!". He is also the very one who runs the gamut of corruption and spreads it in South Korea.

No matter how loudly the traitor Kim Yong-sam may cry for the "liquidation of collective selfishness" and "clean-up of irregularities, while defending the interests of a handful of puppet rulers at the expense of the popular masses and committing irregularities, no one would lend an ear to it.

Kim Yong-sam, the traitor estranged from the people and mastermind of corruption, and his clan must face a judgement by the people.

ROK Support for Japan's UN Seat Bid Viewed

SK2409044194 Pyongyang KCNA in English 0430 GMT 24 Sep 94

["Humiliating Servility to Japan"—KCNA headline]

[Text] Pyongyang, September 24 (KCNA)—It has been reported that the traitor Kim Yong-sam at recent "talks" in Seoul with Vice- president of the Japan Liberal Democratic Party Obuchi estimated Japan's occupation of a permanent seat at the U.N. Security Council Asia "natural thing," revealing his notion that there is no problem in it.

This clearly shows the humiliating servility to Japan of the traitor who welcomes with open arms anything done by Japan, cringing to it without an elementary self-respect of humanity and a shred of national conscience.

It is only too clear that Japan is not qualified to take a permanent seat at the U.N. Security Council when it is trying to gloss over the postwar settlement and has not made an adequate apology and compensation for the crimes of its blood-stained past.

It goes without saying that if Japan, which has not discarded the old dream of "the greater East Asia co-prosperity sphere" while hastening its nuclear armament and its conversion into a military power, becomes a permanent member of the U.N. Security Council, the crime-woven history of war may be repeated.

The Kim Yong-sam group let no chance pass by without declaring that it would make a clean sheet of Japan's past crimes, recently approved the representation of the East Sea of Korea as "the Sea of Japan" and this time supported Japan's occupation of a permanent seat at the U.N. Security Council. Facts show that it is a group of a-class pro-Japanese flunkeyists and traitors who put the "five traitors of Ulsa (1905)" into the shade.

The foolish Kim Yong-sam group, which is working to impose the grief of a stateless nation again upon the people, shall be punished severely by the nation.

Japan Accused of Meddling in Nuclear Issue

SK2509085394 Pyongyang KCNA in English 0846 GMT 25 Sep 94

["Presumptuous Grumble"—KCNA headline]

[Text] Pyongyang, September 25 (KCNA)—The general director of the Science and Technology Agency of Japan recently kicked up a shine over the DPRK's "nuclear issue", saying "it is regrettable that the concern of the international community over the nuclear weapons development by the DPRK has not yet been dispelled" and the DPRK should accept "a full inspection".

Commenting on this, NODONG SINMUN today dismisses this as a grumble which does not deserve even a passing note.

The analyst says:

The nuclear issue on the Korean peninsula is not a matter into which Japan should poke its nose. As the world public admits, it is a problem which was caused by the U.S. introduction of its nuclear weapons into South

Korea and its nuclear threat to the DPRK. So, the nuclear issue on the Korean peninsula is a matter between the DPRK and the United States and, accordingly, it is the DPRK and the United States that are responsible for a solution to the issue.

There would be nothing good, if Japan meddled in the nuclear issue on the Korean peninsula. She has neither qualification nor justification to meddle in it and, furthermore, she has hitherto persistently resorted to anti-DPRK hostile acts, taking issue with "nuclear suspicion" against the DPRK.

The Japanese authorities never let a chance pass by without crying over the DPRK's "nuclear issue". It is not because they are interested in a solution to the nuclear issue, but because they seek to lay an artificial obstacle to its solution through DPRK-U.S. negotiations and thus brand the DPRK as "a nuclear criminal" and justify their own nuclear armament under this pretext.

Japan's nuclear armament is real. It is illogical for Japan, which has a guilty conscience for its nuclear armament, to drivel about "regret" and "acceptance of full inspection" over the fictitious "nuclear issue" of the DPRK.

Japan should lend an ear to the criticism and apprehensions of the world public directed against it and mind its own business, instead of trying to meddle in the affairs of others.

Japan 'Money-Backed Diplomatic Offensive' Noted

SK2509000694 Pyongyang KCNA in English 2158 GMT 24 Sep 94

["Money-Backed Diplomatic Offensive for Overseas Expansion"—KCNA headline]

[Text] Pyongyang, September 24 (KCNA)—Japan's unprecedented money-backed diplomatic offensive for getting a permanent seat in the UN Security Council is based on its scheme to expand overseas aggression, remarks NODONG SINMUN in an article today.

The author of the article says:

The Japanese authorities are busy increasing their burden share at the United Nations, assisting other countries and rendering cooperation in this or that under the cloak of "international contribution". They seek in this to strengthen their position and increase their influence in the world political arena and thus widen the road of their overseas aggression, solving the international issues in favor of Japan. In other words, they intend to embark upon imperialist overseas aggression in real earnest under the flag of the "United Nations". Herein lies the dangerous nature of the manoeuvrings of the Japanese authorities to get a permanent seat of the UN Security Council by brandishing the money bag.

The overseas dispatch of the Japanese "self-defence forces" is a prelude to it.

Japan is scheming to make it fait accompli to send its troops to any country and expand the scope of its troop dispatch worldwide. For this very purpose, it is zealously hastening its conversion into a military power and its nuclear armament.

It is ridiculous of Japan to get a leading position of the United Nations, the world body on the mission of guaranteeing world peace and security, with a few amount of money. Japan should make efforts for completely liquidating its past before coveting a permanent seat of the UN Security Council.

Without atoning for its past, Japan can never become a permanent member of the UN Security Council.

Spokesman Discusses Russian Envoy's Visit

SK2509090994 Pyongyang KCNA in English 0859 GMT 25 Sep 94

["FM Spokesman on Korean Visit of Russian President's Special Envoy"—KCNA headline]

[Text] Pyongyang, September 25 (KCNA)—A spokesman for the Foreign Ministry [FM] of the Democratic People's Republic of Korea answered a question put by KCNA today concerning the visit to the DPRK by a special envoy of the Russian president.

He said:

A.N. Panov, vice foreign minister of Russia, recently paid a visit to our country as a special envoy of his excellency Boris Nikolayevich Yeltsin, president of Russia.

During the visit, he expressed deep condolences on the death of the great leader President Kim Il-song and courteously conveyed an oral message of President Yeltsin to the dear leader Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army.

While in Korea, the special envoy met with Vice-Premier and Foreign Minister Kim Yong-nam and had talks with a vice foreign minister.

At the talks the sides had a comprehensive and openhearted exchange of views on the development of bilateral relations between the two countries and other matters of common concern.

The sides stressed, among other things, that it is in the interests of the two peoples to actively develop the bilateral relations between Korea and Russia in different fields.

The special envoy voiced support for the affirmative progress in the DPRK-U.S. talks for a fundamental solution to the nuclear issue in the Korean peninsula and expressed Russia's strong will to take an active part in the provision of light water reactors, a key to the solution of the nuclear issue, and in the implementation of other measures related to it.

He said Russia, considering that the peace and stability in the Asia-Pacific region depend on a peaceful solution to the Korean question, will never do things obstructive to the independent reunification of Korea but will make every possible effort to this end.

He also considered that the old unstable armistice system must be replaced with a solid peace arrangement in the Korean peninsula.

He expressed deep satisfaction over his visit to Korea and emphasized the need to frequently meet and exchange views, keeping a close contact with each other.

The sides expressed the belief that the relations between the DPRK and Russia will continue developing on the principles of independence, mutual respect and noninterference in other's internal affairs.

Kim Chong-il's Leadership in Automation Hailed

SK2309235494 Pyongyang Korean Central Broadcasting Network in Korean 0933 GMT 23 Sep 94

[Unattributed talk: "The Torch of Automation Burning Under the Idea of Respecting Human Beings"]

[Excerpts] The people's economy has rapidly been automatized in our country nowadays. Whenever we think of our automation that has reached a high level in a very short period of time and will catch up with that of advanced countries in the near future, we recall a sublime intent with deep emotion.

The dear leader Comrade Kim Chong-il noted: To achieve an overall automation in industries is a revolution to reform economy in accordance with the demand of the chuche idea.

How creative the dear comrade leader's idea is! He considers the attainment of automation to be a great revolution in the industrial sector to develop economy as demanded by the chuche idea, as well as a very honorable and responsible work to realize the people's century-long cherished desire. How sublime his intent is. He elucidated that, while capitalists adhere to money-oriented tactics to achieve automation, our automation is a people-oriented and chuche-oriented one. [passage omitted]

The dear leader Comrade Kim Chong-il, who had ripened in early days a plan to free disabled soldier workers from heat-affected labor and harmful labor, decided to prepare the Hwanghae Steel Complex as a model of automation and let the working class of this complex enter the overall automation rank first. [passage omitted]

People were surprised at the dear comrade leader's teaching on achieving the highest level, not a normal level, of automation of the Hwanghae Steel Complex when he ignited the torch of automation of the complex. They thought it was too difficult to achieve the high goal. Being aware of the people's worry, the dear comrade leader stressed on the need to put work in proper order to achieve a high goal.

He taught: A [word indistinct] command system based on an industrial television system and wireless communication facilities should be achieved first of all to make the working class recognize the superiority of automation. Then, a remote control system for comparatively simple production processes, such as [word indistinct], should be adopted to make people have faith in automation and experience it.

He then elucidated: Next, a remote control system for each work site with two production processes or more and super-hot furnaces should be achieved, and based on it all furnaces and open-hearth furnaces should be placed under the remote control system. By doing so, a general remote control system for overall metallurgical processes must be promoted. [passage omitted]

The dear comrade leader taught that it is essential to build the electronic industry, especially the integrated circuit industry, as soon as possible in order to automatize the chuche industry. Under the dear comrade leader's energetic and careful leadership, integrated circuit production bases have newly been built, and the country's electronic industrial bases have firmly been prepared. Thus, we have made a series of proud achievements in developing components, equipment, gauges, and devices for electronic automation in conformity with our specific realities. [passage omitted]

The immortal achievements by the dear leader Comrade Kim Chong-il, who elucidated the way to chuche-oriented automation and ignited the flame of nationwide automation, will shine forever in the history of our people's struggle for the succession and consummation of the chuche revolutionary cause.

100th Day Kim Il-song Memorial Service Planned

SK2609051094 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 26 Sep 94

[Excerpts] According to the Voice of National Salvation in Seoul, a meeting of the South Korean National Democratic Front [SKNDF] Central Committee Standing Committee was held in connection with the 100th day of the passing away of the great leader Comrade Kim Il-song.

The public notice [konggo] concerning the Standing Committee meeting reads as follows:

The public notice concerning the meeting of the SKNDF Central Committee Standing Committee:

A meeting of the SKNDF Central Committee Standing Committee was held in Seoul on 22 September. The meeting discussed the memorial service plan of the

SKNDF Central Committee on the 100th day of the passing away of the great leader Comrade Kim Il-song.

The meeting noted that 15 October is the day marking the 100th day of the passing away of the national father great Comrade Kim Il-song, and stated as follows.

The 100th day of the grievous loss of the abrupt passing away of the respected and beloved leader President Kim Il-song, the sun of the nation, is approaching. The days since his passing away have been days during which our masses revered the president with increasing adoration. [passage omitted on praises for Kim Il-song's achievements and people's grief over his death]

Expressing the deepest condolences on the passing away of the respected and beloved leader Comrade Kim Il-song and solemnly observing the 100th day memorial service is the sublime courtesy and fidelity of our masses who have upheld the fatherly leader as the legendary hero of the fatherland liberation and the lodestar of the national reunification, and part of the sacred struggle to carry out the president's will and teachings he left in his lifetime. It is a matter more of ethics and morality than ideology and ideals, and a matter of established social morals and good manners transcending the system.

Those who have national blood flowing in them and who respect the ethics, morality, and social morals and good manners handed down from their forefathers intend to join the 100th day memorial service transcending the enclosure of ideology, political view, religion, and their assertions.

The masses of all strata will observe the 100th day memorial service in honor of the national father at churches if impossible on the streets because of persecution and suppression by the civilian fascist regime, at work places and school ground if impossible on the streets, and individually if impossible by groups.

Reflecting the above points, the meeting has resolved the memorial service plan for the 100th day of the passing away of the respected and beloved Comrade Kim Il-song as follows.

1. On the 100th day of the passing away of the respected and beloved President Comrade Kim Il-song, the legendary hero of the fatherland liberation and the lodestar of national reunification, the SKNDF Central Committee will dispatch a condolence mission to Pyongyang to observe the North-South joint memorial service.

2. The organizations of various levels under the SKNDF will solemnly observe the 100th day memorial service according to our nation's traditional customs across the country, including Seoul.

3. The masses of all strata, including workers, peasants, fishermen, youths, students, intellectuals, and religionists, will observe the 100th day memorial service in cities, provinces, counties, work places, rural and fishing villages, and school grounds in a manner suitable for the prevailing reality unyielding to any suppression by the fascist authorities.

4. The SKNDF and the patriotic masses of all strata will produce big-character papers, wall posters, and leaflets extensively publicizing the president's greatness and immortal achievements on the 100th day of the passing away of the respected and beloved Comrade Kim Il-song and put them up and distribute them.

5. Ceremonies of various forms will be held on the 100th day of the passing away of President Kim Il-song to pledge the resolution to uphold General Kim Chong-il as the nation's leader [minjogui yongsu] and to expedite reunification in the nineties as the president taught in his lifetime.

6. The masses of all strata will wage a daring mass struggle to denounce and reject the antihumanity, anti-independence, antidemocratic, and antireunification acts of the civilian fascist regime.

South Korea

Commentary on IAEA Nuclear Resolution Reported

North Asked To Fulfill Safeguards

SK2309115894 Seoul YONHAP in English 1152 GMT 23 Sep 94

[Text] Vienna, Sept. 23 (YONHAP)—A general meeting of the International Atomic Energy Agency (IAEA) on Friday [23 September] adopted a resolution calling upon North Korea to fulfill its obligations of the nuclear safeguards agreement.

The resolution co-sponsored by South Korea, France, United States and 51 other countries was passed with an overwhelming support on the last day of the 38th IAEA annual meeting.

The vote count was 76 for and one against with 10 abstaining. The only country that voted "no" was Libya and the abstentionists included China, India and Pakistan.

The resolution in effect asked North Korea to accept special inspections by demanding that North Korea "promptly fulfill the nuclear safeguards agreement and allow access to all information and places related to the safeguards agreement."

It also reaffirmed that despite North Korea's withdrawal from IAEA, the nuclear safeguards agreement signed with North Korea remains effective.

The resolution then asked the IAEA secretariat to carry on inspection activities in North Korea as the United Nations Security Council earlier requested.

Ambassador Cited on Position

SK2409020194 Seoul YONHAP in English 0149 GMT 24 Sep 94

[Text] Vienna, Sept. 24 (YONHAP)—The International Atomic Energy Agency (IAEA) ended its 38th annual meeting here Friday after adopting a set of resolutions, including one calling on North Korea to fulfill its obligations under the nuclear safeguards agreement.

The resolution on North Korea, co-sponsored by South Korea, the United States and 52 other countries, was passed with a vote of 76 for, one against and 10 abstaining.

Casting the only nay vote was Libya while the 10 nations that abstained included China, India and Pakistan.

The resolution urged Pyongyang to meet all of its obligations under the safeguards agreement and to allow access to all information and sites related to the accord.

Expressing regret over North Korea's withdrawal from the IAEA, the resolution voiced the hope that Pyongyang would rejoin the agency. At the same time, it reaffirmed that the nuclear safeguards agreement signed between the IAEA and the communist state remains in effect.

In the resolution, member countries asked the IAEA Secretariat to carry out inspections of North Korea's nuclear facilities as requested by the United Nations Security Council.

The member nations decided to officially take up the North Korean nuclear question again at the 39th IAEA general meeting in the autumn of 1995.

The resolution expressed support for "the ongoing bilateral dialogue and all other efforts" to resolve the nuclear dispute, with the expectation of progress at the third round of U.S.-North Korea high-level talks which resumed in Geneva the same day.

"This is a balanced and workable resolution incorporating both the IAEA's firm position toward North Korea and its expectations for the U.S.-North Korea talks in Geneva," Yi Si-yong, South Korean ambassador to Vienna, said of the resolution.

The annual IAEA meeting also adopted a set of other resolutions covering the prevention of secret trade in nuclear materials, safe management of nuclear waste and accelerated steps to ensure nuclear safeguards.

South Korea was one of the countries playing a key role in getting the agreement on safe management of nuclear waste adopted.

At the present stage, the resolution is largely symbolic. Still, it is expected to exert psychological pressure against certain actions—e.g., Russia dumping nuclear waste into the East Sea.

The resolution on controlling the secret trade in nuclear materials asks IAEA Director-General Hans Blix to prepare measures in this regard by next March, among other things.

Government Welcomes Resolution

SK2409084494 Seoul KBS-1 Radio Network in Korean 0800 GMT 24 Sep 94

[Text] On 24 September, the government released a comment by the Foreign Ministry spokesman stating it was opportune for the International Atomic Energy Agency [IAEA] to have adopted a resolution at its annual meeting calling on the DPRK to completely fulfill its obligations under the nuclear safeguards accord. The Foreign Ministry also stated that the DPRK must reveal its nuclear transparency through early implementation of the safeguards accord, including special inspections [tukpyol sachal], so that Pyongyang can act as a responsible member of the international community.

Reportage, Comment on Geneva DPRK-U.S. Talks

Seoul, U.S. Consulted Before Talks

SK2409112094 Seoul YONHAP in English 1111 GMT 24 Sep 94

[Text] Tokyo, Sept. 24 (YONHAP)—Officials of South Korea and the United States held a meeting in Geneva Thursday [22 September] night to have close consultations on the North Korean nuclear issue just before the U.S. officials held the second round of high-level talks Friday with North Korean officials on the North's suspected nuclear weapons program, a Japanese daily reported Saturday.

SANKEI SHIMBUN reported in a dispatch from Geneva that three U.S. officials including Robert Gallucci, chief U.S. delegate to the Washington-Pyongyang high-level talks, and as many South Korean officials from Foreign Ministry and Seoul's mission to Washington had a meeting prior to Friday's Washington-Pyongyang talks to discuss strategies of the North which often defy expectations.

The meeting lasted about one and half hours starting 6:30 P.M. [1030 GMT]

Gallucci did not elaborate on what had been discussed during the meeting but a South Korean official who attended the meeting said they had discussions on measures to cope with the possibility of the North acting beyond all expectations because the North has often behaved abnormally, said the Japanese daily.

The South Korean Government has dispatched a group of high-level officials to Geneva to be briefed on the developments of the second round of high-level talks between Washington and Pyongyang, said the daily.

It is unusual for U.S. officials to have consultations with Seoul officials prior to the Washington-Pyongyang high-level talks because the prior consultations could irritate Pyongyang, said the daily.

First Day of Talks Reported

SK2409004794 Seoul KBS-1 Radio Network in Korean 2310 GMT 23 Sep 94

[Text] [Announcer] The second session of the third round of high-level talks between North Korea and the United States opened yesterday [23 September] in Geneva to tackle the North Korean nuclear issue.

The first day of talks surprisingly ended after only four hours of discussions. It was learned that the two sides will directly enter into working-level discussions starting today [24 September].

We will go to correspondent Ko Su-yong, who is reporting from Geneva.

[Ko] This is Ko Su-yong reporting from Geneva.

[Announcer] Was any agreement reached during yesterday's talks?

[Ko] The results of the talks are yet to be known. Observers, however, believe that the start of the current talks proceeded smoothly, without a hitch.

It was learned that during the talks, which began at 1700 [0800 GMT] on 23 September, the two sides exchanged views on the issues that were raised in the previous working-level talks. The issues that were discussed in the talks were the provision of light-water moderated reactors to North Korea, assistance in providing alternate energy, the handling of spent fuel rods, the timing of the establishment of mutual liaison offices, and the question over whether to resume the North-South dialogue.

[Announcer] Then, these issues will be discussed in detail in today's working-level discussions, will they not?

[Ko] That is right. The working-level discussions, which are scheduled for today from 1700 [0800 GMT] at the North Korean mission's office, are expected to be composed of seven to eight working-level delegates, excluding Gallucci, U.S. assistant secretary of state; and Kang Sok-chu, North Korea's first vice foreign minister. Today's discussions are expected to focus on the selection of the model for light-water moderated reactors.

[Announcer] The voices expressing concern over the fact that the United States is too much in a hurry to make progress in the talks with North Korea are increasing in the ROK. What is the atmosphere like in Geneva?

[Ko] The North Korean side is insisting that our country is maneuvering to raise obstacles to the talks because the ROK is not a party directly concerned. There is also the view that the United States has raised the issue regarding the exchange of liaison offices too early.

Chang Chae-ryong, director of the North American Division of our country's Foreign Ministry, who is here to fine-tune stances between our country and the United States, however, stated that as the presidents of the ROK and the United States had exchanged letters reaffirming bilateral stances that the North Korean nuclear issue should be resolved as soon as possible, there are good chances that the talks will proceed smoothly. This has been Ko Su-yong.

Kang Reiterates North's Position

SK2409104194 Seoul YONHAP in English 1028 GMT 24 Sep 94

[Text] Geneva, Sept. 24 (YONHAP)—North Korea's Vice Foreign Minister Kang Sok-chu revealed Saturday [24 September] that Pyongyang and Washington made a progress in the first-day session of the second round high-level talks held Friday and will hold expert-level talks Saturday to hammer out a joint statement.

Kang, Pyongyang's chief negotiator at the Geneva talks, was speaking to reporters at a press conference which had not been scheduled in advance.

On the type of light-water nuclear reactors to be built in North Korea in place of its graphite-style reactors, the chief delegate said "I know nothing about South Korean-style nuclear reactor model. Even though South Korea has its own model, we oppose to accept it considering the hostile and abnormal relations between South and North Korea. It will pose a grave problem for us to accept the South Korean model."

Kang reiterated the North's position on special inspections of its undeclared nuclear facilities, saying "(We) do not admit the special inspections and have never accepted the special inspections."

North: Considerable Progress Made

SK2409095194 Seoul KBS-1 Radio Network in Korean 0900 GMT 24 Sep 94

[Report by special KBS reporting team from Geneva]

[Text] It was learned that considerable progress has been made at the U.S.-DPRK high-level talks on resolving the North Korean nuclear issue, and thus the two sides have begun drafting a written agreement.

On the afternoon of 24 September, Kang Sok-chu, senior North Korean delegate, said considerable progress was made in yesterday's discussions regarding the light-water reactor issue and assistance to the DPRK, and that discussions on drafting a written agreement were to be held at the working-level talks expected to take place at 1700 [0800 GMT] on 24 September.

Kang Sok-chu also said if there is a firm guarantee to assist in the construction of a light-water reactor, the DPRK will stop operating its graphite-moderated reactor and expand the scope of its current atomic reactor freeze in accordance to the degree of assistance provided for a light-water reactor.

Kang Sok-chu did not mention which type of light-water reactor would be chosen, but said that in view of the current abnormal South-North relations, an ROK-style light-water reactor cannot be accepted.

He continued by saying the DPRK cannot allow special inspections [tukpyol sachal], but if trust is created between the two sides and relations are normalized, it will be possible to guarantee nuclear transparency.

Working-Level Negotiations Held

SK2409013994 Seoul YONHAP in English 0129 GMT 24 Sep 94

[Text] Geneva, Sept. 24 (YONHAP)—The United States and North Korea will hold working-level negotiations this weekend after winding up a full session on the first day of renewed high-level talks aimed at finding a comprehensive settlement to the dispute over North Korea's nuclear program.

On Friday, delegates from the two countries held a four-hour session at the American representative mission here ending at 2 P.M., followed by a separate meeting over lunch by high-level officials. Details of the first day's talks were not immediately known.

The U.S. delegation is led by Assistant Secretary of State Robert Gallucci and the North Korean side by First Vice Foreign Minister Kang Sok-chu.

After the two-hour luncheon meeting, U.S. delegates announced that the planned full session for the second day, which was originally scheduled to take place at the North Korean mission, had been changed to a working-level meeting. They did not give any explanation regarding the schedule change.

A diplomatic source here said the two sides laid down their basic stands on pending issues such as assistance for the construction of light-water nuclear reactors in North Korea, provision of alternative energy, disposition of spent fuel rods taken from the nuclear reactor in Yongbyon, and special inspection of the North's nuclear facilities.

The source said the U.S. officials emphasized the necessity of special inspections of Pyongyang's undeclared nuclear sites and the importance of resuming inter-Korean dialogue. For their part, the North Korean delegates reiterated their previous position that the nuclear issue should be discussed between North Korea and the United States.

As to opting for a working-level meeting which the chief delegates will not attend, the source saw no particular significance, saying the intention was to allow the talks to proceed effectively.

However, observers here believe there must be something to discuss at the working-level meeting, assuming that issues not raised at the previous expert-level talks in Berlin earlier this month would be addressed.

During the Berlin talks, the two sides did not take up the disposition of 8,000 spent fuel rods withdrawn from the 5-megawatt nuclear reactor at the Yongbyon complex.

North Korea had claimed that if the rods were not reprocessed by the end of August, there would be a danger of radioactive leakage or fire. But recently, it said the safety deadline was not in jeopardy until this month's end.

The observers predicted the talks would last at least one week.

Financial Assistance 'Important'

SK2409121494 Seoul YONHAP in English 1208 GMT 24 Sep 94

[Text] Geneva, Sept. 24 (YONHAP)—North Korea's Vice Foreign Minister Kang Sok-chu revealed Saturday [24 September] that Pyongyang and Washington made a progress in the first-day session of the second round high-level talks held Friday and will hold expert-level talks Saturday to hammer out a joint statement.

Kang, Pyongyang's chief negotiator at the Geneva talks, was speaking to reporters at a press conference which had not been scheduled in advance.

Kang told reporters that the two sides had discussed, during the first-day session, on the building of light-water nuclear reactors, compensation for the scrapping of its graphite-style reactors and the recent military threats to the North by the U.S.

He also said that the two sides had reached an understanding to a certain degree on the matters discussed during the first-day session and that they agreed to work on a joint statement based on the agreed understanding.

Kang said that the most important thing during the ongoing talks will be financial assistance for the building of light-water reactors.

Pointing out that the starting point for the scrapping of Pyongyang's nuclear program will be the U.S.'s guaranteeing financial assistance for the construction of the light-water reactors, Kang said that Pyongyang will expand the scope of its nuclear program freezing program [as received] in accordance with the measures to be taken by the U.S. to guarantee the financial assistance and carry it out.

"Our nuclear problem will be solved clearly once the U.S. guarantees construction of light-water nuclear reactors and carries it out," said the chief North Korean delegate to the Geneva talks, adding that the so-called nuclear suspicion will go away completely when we received light-water reactors and got rid of graphite-modulated nuclear reactors.

On the type of light-water nuclear reactors to be built in North Korea in place of its graphite-style reactors, the chief delegate said "I know nothing about South Korean-style nuclear reactor model. Even though South Korea has its own model, we oppose to accept it considering the hostile and abnormal relations between South and North Korea. It will pose a grave problem for us to accept the South Korean model."

Insisting that Pyongyang has the right to choose the type of light-water reactors to be built in North Korea, Kang said that Pyongyang and Washington had yet to agree on the type of reactors.

He said that the Pyongyang side was trying to produce an agreement on the matter through negotiations with the U.S.

Kang reiterated the North's position on special inspections of its undeclared nuclear facilities, saying "(We) do not admit the special inspections and have never accepted the special inspections."

"We, however, will guarantee nuclear transparency when the two sides built trust between themselves and normalized (relations)," said Kang.

The material compensation for the abolition of the North's nuclear program must be offered perfectly concurrently with the scrapping of the nuclear program, said the North Korean vice foreign minister.

U.S., North Fail on Consensus

SK2509002394 Seoul KBS-1 Radio Network in Korean 2305 GMT 24 Sep 94

[Report by Ko Su-ung and Yi Myong-ku from Geneva]

[Text] At the second day of talks, it was learned that North Korea and the United States exchanged and reviewed documents containing their stance, however, failed to narrow differences.

A high-ranking U.S. official said this morning [Korean standard time] that some progress was made at the talks, however, the two sides failed to reach a consensus on the issues concerning the provision of light-water-moderated reactors and special inspections.

Pointing out that the ROK has priority on the issue concerning the light-water system in light of the technological and financial aspects, the official revealed a contrary view to chief North Korean delegate Kang Sok-chu's remark that North Korea cannot accept the ROK model.

By reaffirming the previous U.S. stance that the nuclear transparency cannot be clearly guaranteed without special inspections, the official indirectly rebuffed Kang Sok-chu's remark that North Korea does not admit special inspections

The official went on to say that North Korea's demand for $2 billion in cash in compensation for the scrapping of its graphite-modulated nuclear reactors does not concur with the agreement that was reached at the first round of talks and, thus, clearly expressed that the United States will reject such demand.

The United States and North Korea will continue working-level discussions today [25 September].

Editorial Expresses 'Worries'

SK2509080894 Seoul HANGUK ILBO in Korean 25 Sep 94 p 3

[Editorial: "What Worries Us About DPRK-U.S. Talks"]

[Text] The second session of the third round of the DPRK-U.S. talks, which are making considerable progress after resuming in Geneva, attracts our attention because it is the final round of negotiations for settling the nuclear issue. Our greatest concern is how much of the ROK's position will be reflected in the final settlement; however, the prospects are seriously dim.

Key agenda items are the type of light-water reactor to be selected and who will play the leading role in its construction. In this regard, the ROK and the United States seem to share the same principles and act in concert with each other, at least on the surface.

In his personal letter to President Kim Yong-sam, President Clinton stressed that assistance in constructing a light-water reactor is only possible under conditions where North Korea's nuclear transparency is guaranteed; thus the ROK's role is very important. In his response assuring assistance to the DPRK in constructing a light-water reactor, President Kim Yong-sam stated: Assistance in constructing a light-water reactor can only be given if the North's past nuclear activities are clarified, if an ROK-style reactor is used, and if the ROK can play a leading role in its construction.

However, it has been revealed that what the United States has in mind is different from the ROK Government's expectations. In short, although the United States says it shares the same position with the ROK in resolving the nuclear issue, Washington is assuming an attitude based on "its own national interest and expediency."

The United States and the DPRK share the view that the nuclear negotiations should be completely settled during the second session of talks. The Clinton administration, which has displayed diplomatic inability and made mistakes, is trying to prevent the Republicans from dominating Congress in the off-year elections to be held next month by showing off its settlement of the Haitian issue and the North Korean nuclear issue as major achievements. At the same time, the DPRK is trying to use the settlement of the nuclear issue as an opportunity to secure improvements in relations and economic cooperation with the United States, and to obtain light- water reactors so that it may bolster the Kim Chong-il system and overcome economic difficulties.

Under these circumstances, we must be on the alert for several things. First, we must be alert to North Korea's stance to eliminate the ROK from the talks, as well as to how the United States will dissuade Pyongyang from maintaining this stance and if Washington opposes it. As to the clarification of North Korea's past nuclear activities, which Seoul sets as a precondition for assisting in the installation of a light-water reactor, U.S. delegate Gallucci stated: "The principle of special inspections is unchangeable, but time can be taken to conduct them. The special inspections may be made before the arrival in North Korea of parts for the light-water reactor." This means special inspections may be delayed for several years. In the meantime, the DPRK made a threatening statement through its Foreign Ministry spokesman: Special inspections are absolutely impossible, and if they are forced upon Pyongyang, the North will continue with its nuclear program.

Since the DPRK rejected the ROK-style reactor at the expert-level meetings, changing its previous position of leaving the reactor style to the discretion of the United States, the United States is reported to be considering the formation of a civilian organization guaranteed by the participating countries, which is different from the previous proposal to form an international consortium participated in by 10 countries. Regardless of the name of the organization, we will not object to it so long as the type of reactor is an ROK-style reactor, and the ROK plays a leading role in its construction. However, if the organization is nongovernmental, the United States will play the leading role, and the ROK will end up being merely a member, paying 75 to 80 percent of the enormous cost of the $4 billion price tag.

The government should closely watch the DPRK-U.S. negotiations. If the North Korean nuclear issue is settled improperly out of political expediency, we will remain burdened by the nuclear threat. The government should strongly urge the United States to adhere to the ROK position of ensuring the clarification of the North's past nuclear activities and the ROK's leading role in constructing the light-water reactor.

Weekend Negotiations 'Hectic'

SK2609014194 Seoul YONHAP in English 0128 GMT 26 Sep 94

[Text] Geneva, Sept. 26 [date as received] (YONHAP)—The United States and North Korea will resume high-level talks here Monday after winding up hectic weekend negotiations on the Stalinist state's disputed nuclear program.

Emerging from Sunday's [25 September] meeting, the two sides said they would resume the third round of talks at 10 AM Monday, but did not go into further detail. The American delegation is headed by Assistant Secretary of State Robert Gallucci and the North Korean team by First Vice Foreign Minister Kang Sok-chu.

At Sunday's working-level meeting which lasted four and a half hours at the U.S. Representative Mission here, officials continued negotiating ways to implement the four basic principles for settlement of the nuclear issue.

The meeting, attended by delegation deputy chiefs, focused on how to implement the Aug. 12 agreement on U.S. assistance in the provision of light-water nuclear technology in return for a halt to Pyongyang's construction of graphite-moderated nuclear reactors, and the establishment of diplomatic missions in each other's capital.

They also discussed a U.S. guarantee of non-use of nuclear weapons against North Korea, carrying out the South-North Korean declaration on denuclearization of the Korean peninsula, Pyongyang's remaining in the nuclear non-proliferation treay (NPT) and implementing the nuclear safeguards accord of the International Atomic Energy Agency (IAEA).

The meeting was attended by five Americans headed by Deputy Assistant Secretary of State Thomas Hubbard, and seven North Koreans led by Foreign Ministry Ambassador Ho Chong.

A diplomatic source close to the talks said the two sides set down their respective stands on implementing the four basic principles to resolve the row over Pyongyang's nuclear ambitions. However, he said no mutual agreement seemed imminent concerning the details.

Thr the working-level talks, the source went on, the two nations completed their initial review of the other's demands, with negotiations likely to continue on that basis.

Informed sources here predicted that Monday's talks will be attended by several members from each side, including delegation chiefs Gallucci and Kang.

Kang's Assertions 'Unreasonable'

SK2609102594 Seoul TONG-A ILBO in Korean 26 Sep 94 p 3

[Report by Yon Kuk-hui from Geneva: "Background of 'Commotions on Document of Agreement' at North Korea-U.S. Talks"]

[Text] Kang Sok-chu (North Korean vice foreign minister), who is the senior North Korean delegate to the third round of North Korea-U.S. high-level talks, held an unscheduled news conference prior to the working-level officials meeting on the morning of 24 September (local time), and surprised reporters by making doubtful [uimunui] remarks. In other words, he abruptly talked about "preparation of the document of agreement" with the meeting going only into the second day.

At the news conference, which lasted approximately 20 minutes, senior delegate Kang revealed the position of not accepting the ROK-model reactor, and demanded compensation for expenses and investment used for the construction of North Korean atomic reactors. Following this, he warned against "abnormal military activities" carried out by the U.S. Armed Forces in the East Sea [Sea of Japan]. He then said that based on consultations and the understanding on these issues during the first session of the talks, "at today's working-level conference, the work of preparing the document will be undertaken."

When delegate Kang was about to conclude the news conference after making these remarks, an ROK reporter asked: "What kind of document do you mean?" "Do you mean the document of agreement [habuimun]?" To this, delegate Kang replied: "I mean the document of agreement on concrete actions [kuchejogin heangdonge kwanhan]." Astonished by this, the reporters raised questions one after another regarding "what agreement will be prepared as a document." However, he did not answer but merely said "I will reveal it later," thus speaking ambiguously.

However, a few hours later, his remarks proved to be unilateral claims. Embarrassed by this, the U.S. side hastily held an unscheduled news conference on the afternoon of that day, and stated that North Korea and the United States had failed to narrow differences on major impending issues, and therefore, there are still many issues to be discussed, thus refuting his remarks indirectly.

Then, why did delegate Kang present such unreasonable assertions? The most persuasive assessment among U.S. officials, ROK sources, and reporters was that delegate Kang "apparently made these remarks to reflect North Korea's domestic allegations." It was interpreted that he strongly revealed the North Korean position regarding the nuclear issue and furthermore, he made "a play of taking advantage of the press" by making the worldwide press report on his warning against U.S. military activities.

Differences in Positions Revealed

SK2609114894 Seoul KBS-1 Radio Network in Korean 1000 GMT 26 Sep 94

[Text] The North Korea-U.S. high-level talks dealing with the North Korean nuclear problem resumed in the North Korean mission in Geneva at 1800 ROK time.

What reaction the North Korean side will show to the U.S. side's recent hard-line remarks attracts the people's attention.

Correspondent Yi Myong-ku reports from Geneva.

[Begin Yi recording] The senior delegates talks began at 1800 our time. Gallucci, U.S. senior delegate, appeared at the North Korean mission for the first time for talks under the rain and shook hands with North Korean senior delegate Kang Sok-chu. However, he did not answer any questions asked about the prospects of the talks.

Through a plenary meeting, the senior delegates talks, and working-level officials talks that were held twice on Sunday, the two sides adjusted [chongni haesumnida] clear differences in positions between the two sides.

Thus, it appears that at today's senior delegates talks, the two sides may be able to discuss concrete and practical issues. However, since there are remarkable differences in positions between the two sides revealed up to this point, it will not be easy for the two sides to reach an agreement unless they seek a method of solution in which one side makes great concession or gains practical interest while giving an external justification to the other side.

Furthermore, following strong criticism by senior delegate Kang Sok-chu on 24 September of the U.S. side for mobilizing a U.S. carrier in training in the East Sea [Sea of Japan], and hard-line remarks by Defense Secretary Perry, the North Korean side is reportedly continuously picking a quarrel [mulgo nuro chigo] at the current talks over these issues. Thus, it appears that the talks, which did not seem to be making smooth progress, are becoming even more difficult.

Even if an agreement is reached on certain principles during the current talks, there is a great possibility that differences in views will be revealed on the order, time, and method of implementing the agreed issues. Thus, some people even speculate that the two sides will conclude the current talks only by confirming each other's will to resolve the North Korean nuclear problem, as well as differences in each other's positions, and that thus concrete discussions of issues will be turned over to the next talks. [end recording]

'Haste' of U.S. Approach to Nuclear Issue Noted

SK2409073494 Seoul TONG-A ILBO in Korean 24 Sep 94 p 3

[Editorial: "The U.S.-DPRK Nuclear Negotiations Worry Us"]

[Text] As we watch the DPRK-U.S. talks for the resolution of the North Korean nuclear issue resume in Geneva on 23 September, we have both hope and concern about the Clinton administration's policy toward and negotiations with North Korea.

According to a report, President Clinton is to have delivered to the DPRK his personal letter promising the United States will build a light-water reactor in North Korea if Pyongyang freezes its nuclear program and ensures its nuclear transparency. If the U.S. President's letter is delivered, it may be the final negotiating card, trading written U.S. promises in return for a North

Korean nuclear freeze and a complete return to the Nuclear Nonproliferation Treaty [NPT].

However, this worries us because the United States, engrossed in its own national interest, could hastily settle the nuclear issue with North Korea at the expense of the ROK's national interest. It seems U.S. policy regarding the North Korean nuclear issue does not conform with the ROK's interest; under the U.S. initiative, the objective of the United States is to freeze North Korea's present and future nuclear development so as to maintain the NPT system, which expires next year.

This view is supported by a report stating the North Korean nuclear issue is being handled within the U.S. State Department mainly by the Nuclear Nonproliferation Bureau rather than by the East Asia and Pacific Bureau. We are also worried that President Clinton's personal letter will be delivered out of haste to meet a deadline he set for the settlement of the North Korean nuclear issue. We suspect this because it is against customary diplomatic practice for the head of a state to send a personal letter to Kim Chong-il who, although he may be the DPRK's strong man, officially only holds the position of party secretary. Upon the U.S. request, President Kim Yong-sam delivered his own personal letter stressing the ROK's participation in the issue. We hope the United States will not hand over a copy of the ROK president's letter to the DPRK, although the United States may convey President Kim's intentions to the North during the talks being held in Geneva.

The haste displayed by the Clinton administration is connected with the off-year election scheduled for 8 November, not to mention the extension of the NPT system. As has been reported, the people's support for the Clinton administration has dropped to 40 percent, particularly because of its foreign policy failures. This is the lowest support in 40 years, since President Eisenhower. Therefore, the Democratic Party fears it may lose the elections for Senate and House seats, as well as the gubernatorial election for 36 states. Hence, the Democratic Party is anxious to tide over this difficulty.

Those critical of the Clinton administration's foreign policy feel Clinton's policy drifts and lacks consistency. Last May (Winston Rodd), U.S. assistant secretary of state for East Asia and Pacific Affairs, sent an open letter to the secretary of state and President Clinton criticizing U.S. Asian policy, saying it faced a crisis.

U.S. Presidents, whenever faced with domestic difficulties, have often sought a way out via foreign policy. We hope the Clinton administration will not connect the criticism of its domestic issues with the North Korean nuclear issue. North Korea should also read the intent of the ROK and the United states, which are showing their utmost willingness to assist in the construction of a light-water reactor. Pyongyang should not act audaciously with the "light-water card" any more.

North Threatens To Resume Yongbyon Operations

SK2609140494 Seoul KBS-1 Television Network in Korean 1221 GMT 26 Sep 94

[Text] North Korea is threatening that next month it will resume the five-megawatt atomic reactor's operations, which have been suspended up to now. Of course, the ROK and the United States are warning that the U.S.-DPRK talks may collapse if North Korea decides to resume operations at the atomic reactor. Following is a report by Yi Kwang-tok.

[Begin Yi recording] It has been reported that North Korea is strongly conveying its position that it may resume operations at the five-megawatt atomic reactor in Yongbyon. North Korea is revealing that it will start the work of reloading the fuel rods next month for the winter season heating, which is right around the corner, and that operations at the five-megawatt atomic reactor should resume.

It was learned that North Korea claimed that the water from the cooler discharged during the operation of the atomic reactor must be used as heating water for the facilities in the Yongbyon region.

It was learned that if a settlement is reached during the nuclear negotiations after the five-megawatt atomic reactor resumes operations and measures for freezing the nuclear facilities are carried out, North Korea said that it would suspend its operations.

However, another concern is that if operations at the atomic reactor are resumed, the North Korean side would have another card with the issue of stopping operations at the atomic reactor and the issue of dealing with the nuclear fuel rods.

A government official said that the ROK and the United States reconfirmed that if North Korea resumed operations of the nuclear facilities it would destroy the basis of the U.S.-DPRK dialogue and said that it notified the North that North Korea's claim could not be accepted. It was also revealed that the ROK and the United States are working on various measures because it is believed that there is a high possibility that North Korea will carry out the work of loading the fuel rods. [end recording]

North Demands Compensation for Alternate Energy

SK2409055694 Seoul KYONGHYANG SINMUN in Korean 24 Sep 94 p 1

[Text] With the resumption of the second session of the third round of North Korean-U.S. talks on 23 September, it was learned that North Korea demanded that it be provided with 500,000 tonnes of oil annually over 10 years as alternate energy during the construction of light-water-moderated reactors, in addition to the cost of building the light-water-moderated reactors and the compensation for scrapping its graphite-moderated reactors.

North Korea also demanded that the alternate energy be paid in cash amounting to $600 or 700 million.

North Korea demanded that it be paid over a 10-year period, arguing that it will take two years to design and eight years to build the light-water system. A Foreign Ministry official on 23 September revealed that North Korea had made such a demand to the United States at the experts negotiations held in Berlin.

On the contrary, the United States and the ROK are considering the supply of coal to North Korea as alternate energy and are adhering to their previous stance that the amount of alternate energy will be decided after electricity demands in North Korea and the electricity supply that would be available if North Korean were to build the graphite-moderated reactors are thoroughly measured.

The official said "during the experts meeting, North Korea raised the issue over alternate energy and, thus, puzzled the United States," and added that "such demands by North Korea are much more than what we had previously estimated."

YONHAP Reports Demand for Cash

SK2409091794 Seoul YONHAP in English 0910 GMT 24 Sep 94

[Text] Tokyo, Sept. 24 (YONHAP)—North Korea demands that the United States pay the communist country 2 billion dollars in cash in compensation for the scrapping of its graphite-modulated nuclear reactors aside from financial assistance for the construction of light-water nuclear reactors, a Japanese economic daily reported Saturday [24 September].

In a dispatch from Geneva, Japan's SANKEI SHIMBUN also quoted U.S. diplomatic sources as saying that South Korea conveyed to the United States its willingness to burden 2.4 billion dollars or 60 percent of the total expense for the construction of light-water reactors for North Korea.

North Korea wants the United States to pay billions of dollars in compensation for the scrapping of its heavy-water nuclear reactors and in provision of alternative energy, said the daily.

Another Japanese daily YOMIURI SHIMBUN had reported earlier that the Seoul Government expressed to Washington its willingness to share 70 to 75 percent (amounting to 2.8 to 3 billion dollars) of the total cost for the construction of light-water nuclear reactors for North Korea.

Lawmakers Collide Over Light-Water Reactors

SK2409030794 Seoul THE KOREA TIMES in English 24 Sep 94 p 2

[Text] Lawmakers from the ruling and opposition parties collided yesterday over the issue of helping North Korea replace its graphite-moderated reactors with less plutonium producing light-water ones at the National Assembly Foreign-Unification Affairs Committee.

Ruling Democratic Liberal Party [DLP] lawmakers maintained that transparency of Pyongyang's past nuclear activities should be secured before the North and the United States discuss conditions on financial support for the replacement project.

In this connection, they stressed, the North should allow the special inspections by the International Atomic Energy Agency (IAEA) on its undeclared nuclear sites.

In sharp contrast, opposition lawmakers including those of the main opposition Democratic Party [DP] claimed that for the development of inter-Korean relations, the North Korean nuclear issue should be solved through a "package deal"

Under the package deal, Washington will promise improvement in relations with Pyongyang in return for its returning to the international nuclear nonproliferation regime.

Rep. An Mu-hyok of the DLP said, "It has been a wrong policy since the initial stage for Seoul to beg North Korea and the United States to select Korean-type' reactors for the two 1,000-megawatt light-water reactors to be built in North Korea."

Unless the North's nuclear transparency is guaranteed through the special inspection and mutual inspections between the South and North, the former director of the Agency for National Secu??ty Planning went on, the government should not provide financial assistance.

"The government should also make it clear that the South Korean people will never bear a financial burden for decision make by Pyongyang and Washington without government participation," An said.

Rep. Kim Tong-kun, also from the ruling party, charged the government with lacking consistency in its nuclear policy.

"The government repeatedly stressed that there is no gulf between Seoul and Washington in their North Korean policies. But it always changes policy," Kim said.

Rep. So Chong-hwa of the DLP stressed that pace of improvement in Pyongyang-Washington ties should be contingent with improvements in inter-Korean relations.

Meanwhile, the opposition lawmakers maintained that Seoul should persuade Pyongyang to select the South Korean-type reactors, showing flexibility in solving the North Korean nuclear issue.

They also stressed that the government should exert all-out efforts to realize an inter-Korean summit at the earliest time possible because it is the best way to solve South-North issues.

Rep. Namkung Chin of the DP called on the government to prepare for the possibility that the issue of construction of light-water reactors in the North will not be solved in the third round of Pyongyang-Washington high-level talks.

Rep. Yi U-chong, also from the DP, asked the government to cut the link between the nuclear issue and economic cooperation with North Korean and allow businessmen to visit the North freely.

Another issue the rival party lawmakers collided over was former U.S. President Jimmy Carter's mediatory role in inter-Korean reconciliation.

Ruling party lawmakers played down his role while opposition lawmakers maintained that the government should find out a breakthrough in inter-Korean relations through his revisit to Pyongyang.

Rep. Kim of the DLP said, "I cannot but worry about the possibility that the North could take advantage of Carter's revisit to Pyongyang in getting international ratification of Kim Chon-il's succession to his late father Kim Il-song.

But Rep. Namkung of the DP stressed the need for active government use of the "Carter card" for improvement of South-North relations including an early realization of an inter-Korean summit.

Japan, South 'Expected To Split' Reactor Cost

SK2409022694 Seoul THE KOREA TIMES in English 24 Sep 94 p 1

[By staff reporter Son Ki-yong]

[Text] Japan and South Korea are expected to split 50-50 the costs for constructing modern nuclear reactors in North Korea, estimated at four billion dollars, a diplomatic source here said yesterday.

"Japan has no reason to hesitate to contribute to the reactor program because it wants an increased role in the security of Northeast Asia, which has been seriously eroded by North Korea's nuclear weapons program," said the source well versed in Japanese affairs.

Even though the Japanese government has already decided its position over its share of financing for the project, the source said that Tokyo will not disclose the amount until the high-level U.S.-North Korea talks, which started in Geneva yesterday, are wrapped up successfully.

In a letter to U.S. President Bill Clinton, Japanese Prime Minister Tomiichi Murayama expressed a willingness to take part in an international consortium for the project. However, Tokyo will require guarantees for the North's full implementation of the safeguards agreement under the Nuclear Non-Proliferation Treaty (NPT) and the freeze of all its nuclear activities which are needed for the Japanese authorities to persuade the people on the necessity of the multi-billion-dollar loan, the source added.

The source raised suspicion over the credibility of the Japanese daily YOMIURI SHIMBUN's report that the Seoul government is willing to shoulder 70-75 percent of the burden provided its own nuclear model is picked.

In a report from Geneva yesterday, the Japanese daily quoted diplomatic sources as saying that the South Korean government clarified its position on the matter to the United States.

"The amount of Japan's contribution will be set in accordance with the Seoul government's financial contribution," the source said.

If Seoul asks Tokyo to contribute 50 percent of the total costs, Japan will do so for the sake of the "international cause" to prevent the proliferation of weapons of mass destruction.

As President Kim Yong-sam has declared that Seoul will play a central role in the international consortium tentatively called the "Korea Energy Development Organization (KEDO)," South Korea is expected to pay almost half of the total costs.

Japan, which has recorded astronomical trade surpluses in recent years, has sought places to invest the money, the source said.

In the past, Japan and North Korea have held eight rounds of diplomatic normalization talks, which were brought to a halt due to the North Korean nuclear crisis.

The bone of contention at the talks was how much Tokyo should pay to Pyongyang as compensation for the atrocities committed during Japan's 1910-45 colonial rule of the Korean peninsula.

Officials here believe that Japan will have to pay at least several billions of dollars to North Korea which wants cash compensation to save its bankrupt economy.

Japan already said that any money offered to the international consortium would be deducted from its future compensation to North Korea. However, Pyongyang dismissed the Japanese government's position as nonsense.

If the United States and North Korea start taking practical steps to set up diplomatic relations, Japan and North Korea are also expected to resume normalization talks which would set the amount of compensation.

Other participants in the international consortium which includes the United States, China and Russia are unlikely to share major portions of the total cost if Seoul and Tokyo split the costs evenly.

According to the YOMIURI SHIMBUN, a direct U.S. loan for reactor construction is impossible under U.S. domestic law but Washington is expected to pay the consortium's operational expenses and some 30 million dollars needed to convert the graphite-moderated reactor at Yongbyon to a similar capacity thermal power plant. Washington may also bear the cost of 60-100 million dollars to ship 8,010 spent fuel rods in the North to a third country, the paper said.

Minister Han on North Reactor Project Benefits

SK2409025694 Seoul YONHAP in English 0237 GMT 24 Sep 94

[Text] Seoul, Sept. 24 (YONHAP)—Foreign Minister Han Sung-chu emphasized Saturday both the economic and political benefits which could flow from becoming the principal supplier of light-water reactors to North Korea, while driving home the message that the things Pyongyang wants are not necessarily disadvantageous to Seoul.

"We should not overlook the non-zero-sum game aspect in inter-Korean relations," Han said at a seminar hosted by the Kwanhun Club, a fraternity of senior journalists.

"For instance, our support in (providing) light-water reactors to North Korea would elevate our role and voice and provide an important opportunity to hasten North Korea's openness through inter-Korean exchanges," the foreign minister said.

"Moreover, it strengthens cooperation with the United States in our light-water reactor projects with other countries and opens doors to developing new markets. The economic benefits of assisting with the light-water reactors are by no means small," he asserted.

Pyongyang is well aware that it cannot remain poor and isolated forever. "North Korea is merely looking for the ways to change, the justification and the safety net," said Han.

North Korea hasn't had the confidence and the stability to make a firm decision on handling inter-Korean relations since its late President Kim Il-song's death, the foreign minister said.

"North Korea has no choice but to be defensive under such circumstances and is clinging to an improvement in relations with the United States in search of a breakthrough," he said.

Official Explains Financing for DPRK Reactors

SK2509022094 Seoul YONHAP in English 0212 GMT 25 Sep 94

[Text] Seoul, Sept. 25 (YONHAP)—South Korea will apply the revenue of the Korea Electric Power Corp. to financial resources for light-water nuclear reactor project for North Korea if a South Korean model is provided on the assumption that Pyongyang guarantees its nuclear transparency.

The government is learned to plan to pay for about 3 billion U.S. dollars or 70 to 80 percent of the 4-billion-dollar reactor project over 10 years with 2 to 3 percent of the annual revenue of the Korea Electric Power.

It also studies to set off the cost to stop the operation of 5-megawatt reactor in Yongbyon and the additional construction of 50-megawatt and 200-megawatt reactors with the construction expense of light-water reactor and be redeemed for the rest by electric power from North Korea after the completion of the light-water reactor.

A government official said Sunday that "If a South Korean model is provided, the share we are to burden is 3 billion dollars or 70 to 80 percent of the total expense and the government will apply the revenue of the Korea Electric Power for it."

He said that "There is no financial problem," pointing out "It is sufficient to put in an annual 2 to 3 percent of the revenue of the Korea Electric Power over ten years since the beginning of the construction of light-water reactor."

"It will take about four years to begin construction after finishing the feasibility study even if we participate to the project," he said. "The Korea Electric Power has a stance that it is possible to be redeemed with electric power by North Korea."

DPRK, U.S. 'Diplomatic War of Nerves' Viewed

SK2609095294 Seoul CHUNGANG ILBO in Korean 26 Sep 94 p 6

[Article by reporter Kim Chin-kuk and correspondent Ko Tae-hun from Seoul and Geneva]

[Text] Amid the public interest in whether North Korea's nuclear issue can be solved in a package, a political and diplomatic war of nerves has been becoming acute between the North and the United States.

In an interview with NBC TV on 25 September, U.S. Secretary of Defense William Perry said: "If North Korea does not abide by international treaties which allow international inspections of nuclear facilities, the United States will conduct browbeating diplomacy against North Korea. Browbeating diplomacy denotes a military threat."

Also in a talk with CNN TV, he noted: "Even if it is difficult to find a final solution to the nuclear issue, nobody wants to see a war break out on the Korean peninsula because of the nuclear issue. But, it is possible to study ways to destroy reprocessing facilities, not the atomic reactor, in case of an emergency."

Sam Nunn, chairman of the U.S. Senate Armed Services Committee, too, said that the U.S. display of overwhelming military power in Haiti will serve as a good lesson to North Korea, while urging North Korea to fulfill its duties regarding the inspections of nuclear facilities and stressing that the United States will see this carried through.

This is a threat that in case the on-going talks should not proceed smoothly, the United States will return to its earlier spring-time idea of imposing military sanctions.

In this regard, North Korea has warned that in case the U.S. military threat against the North should continue, it cannot but suspend [chungdan] the North-U.S. talks and resume its nuclear activities, thereby creating even a new tense atmosphere.

In this way, the United States has been blocking the way of retreat of North Korea in terms of negotiations. This means that the U.S. Government's expectations for the North-U.S. talks are very high.

This means that the United States is leaving no stone unturned by employing the strategy of both conciliations and threats, while believing that now is the last turning point at which an agreement can be reached.

As part of this, an aircraft carrier battle group has been deployed and a resolution has been adopted at the International Atomic Energy Agency [IAEA] abruptly [saesamsuropke].

It seems that the Clinton administration, which has to conduct by-elections in mid-November, wishes to see the on-going talks come to a conclusion under any circumstances [ottokedun].

The negotiations on disposing of North Korea's spent fuel rods or extending the Nuclear Nonproliferation Treaty are also leaving those involved pressed for time.

Because of this, an aircraft carrier battle group has been deployed in the East Sea for the first time. Through THE STARS AND STRIPES on 22 September, citing the Haitian instance, (Ronald Julatopper), commander in chief of the U.S. Pacific Fleet, said: This [the deployment of the battle group] is aimed at conveying a message to North Korea that "strong military power" will back up diplomacy.

With a similar meaning, President Kim Yong-sam has gone on board the USS Kitty Hawk. This notwithstanding, it is still questionable whether North Korea will readily bring out "everything" in accordance with U.S. expectations.

Experts are harboring apprehensions as to whether North Korea will readily give in to the deployment of an aircraft carrier battle group under the circumstances in which it clearly understands the direction where the U.S. policy is proceeding.

On the contrary, North Korea has offered strong resistance, saying: "It would be a miscalculation if one thinks one could acquire concessions from us with a combination of strength and diplomacy."

North Korea's argument is that in case "a catastrophic situation" should be created as a result of its rejection of talks and resumption of nuclear activities, the hawkish conservatives within the U.S. military should shoulder the responsibility for everything.

North Korea has rejected the IAEA's resolution and warned that it would reconsider even "the well-intentioned measures which it has taken so far."

It is also skeptical as to how much this kind of war of nerves will have influence on the proceeding of actual talks.

It just seems that in case the need to rupture the talks arises, this kind of war of denunciations can be utilized to justify the rupture.

PRC Said Willing To Store North Fuel Rods

SK2609000194 Seoul KBS-1 Radio Network in Korean 2100 GMT 25 Sep 94

[Text] China is prepared to accept and store the used nuclear fuel rods if North Korea agrees to the transfer of such fuel rods to a third country, and other countries bear the expenses for it. The ROK Ministry of Foreign Affairs stated, in a report submitted to the National Assembly, that although China rejected the U.S. request to accept and store North Korea's used nuclear fuel rods, China expressed a willingness to consider it when the said conditions were met.

The report also states that the Chinese Government has no objection to whether the light water reactor to be provided for North Korea is the ROK type or the Russian type.

NUB Views North's Scud Production Capability

SK2609094694 Seoul YONHAP in English 0839 GMT 26 Sep 94

[Text] Seoul, Sept. 26 (YONHAP)—North Korea has already set up a system to mass produce Scud-B and Scud-C missiles, which have a maximum range of 500 kilometers, the National Unification Board (NUB) said Monday.

According to inspection data submitted by the NUB to the National Assembly Foreign Affairs and National Unification Committee, North Korea has the capacity to produce 100-150 Scud missiles a year.

Furthermore, Pyongyang has even carried out experiments on human beings in an attempt to develop chemical and biological weapons, the nub said.

Last year Pyongyang succeeded in test-firing the Nodong-1 missile (Scud-D), which can travel about 1,000 kilometers, and is expected to complete developing the Nodong-2 missile, whose maximum range is 1,500-2,000 km, by the end of 1995.

The NUB attributed Pyongyang's efforts to develop long-range guided missiles to its judgment that maintaining military superiority is impossible with its current weapons systems due to the huge economic gap between South and North Korea. Because of this reason, North Korea is also developing chemical and biological weapons, according to the NUB data.

The hard-line communist country has produced about 1,000 tons of chemical and biological weapons through experiments on political prisoners, enabling it to reach third place on the global list of chemical and biological war potential.

North Korea operates eight plants that manufacture chemical and biological weapons as well as six storage facilities and three research institutes on biological arms. Pyongyang has the ability to launch those weapons from land, air and sea.

The NUB proposed that if inter-Korean talks on disarmament resume, North Korean development of long-range guided missiles and chemical and biological weapons should be dealt with first.

The South-North Korean basic agreement prescribes that the two Koreas discuss phased disarmament, including the problem of dismantling weapons of mass destruction.

The cash-starved North obtains most of its foreign exchange through weapons exports, which accounted for about 30 percent of the country's total exports of 20,440 million U.S. dollars between 1980 and 1993.

North Operating Mirim College for Electronic War

SK2209114594 Seoul CHUNGANG ILBO in Korean 22 Sep 94 p 4

[Report by Chong Son-ku: "North Korea Is Operating Mirim College for Electronic Warfare Research"]

[Text] It has been learned that as part of its modernization of the military, the North Korean Army has established and is operating a college within the Ministry of the People's Armed Forces specializing in electronic warfare research.

According to the Ministry of National Defense [MND] on 22 September, the North Korean Army has realized since the late 1980's the need for electronic warfare and missile development technology in order to modernize the military, and thus established "Mirim College" as an ultramodern research organization under the Ministry of the People's Armed Forces.

Mirim College was organized under the initiative of Kim Chong-il. Being aware of the considerable importance of electronic warfare to strengthen future combat capabilities, Kim Chong-il has paid special attention to this college since Kim Il-song's death.

In particular, Kim Chong-il was shocked during the Gulf War at the serious blows suffered by Iraq as a result of precision bombing using ultramodern equipment of the U.S. army, which resulted in Iraq's defeat. Thus, he saw to it that the college's functions were strengthened.

Kim Chong-il is worried about the possibility that the DPRK may also suffer such blows in an emergency.

Prompted by such worries, Kim Chong-il introduced missile technology, including anti-ballistic missiles, from Russia and the PRC, and is currently accelerating the development of various harassment and camouflage devices to counter the United States' ultramodern technology, including electronic sensing devices and heat-seeking equipment.

The MND explained that Mirim College is designed to conduct case- study research on emergency situations based on the concept of various local war scenarios, like the Gulf War. However, whether Mirim College has developed long-range missiles such as the Nodong and Taepodong-line missiles, and the precise nature of its structure and organization, have not been confirmed. It was observed, however, that since the college was established in the late 1980's, by today it might have achieved a considerable degree of electronic warfare technology.

The most outstanding minds were selected from within the People's Army to work at this college.

Kim Chong-il's interest in researching future ultramodern electronic warfare, including the establishment of "Mirim College," is in excellent contrast to Kim Il-song's emphasis on light infantry tactics and on building military power to strengthen air defense capabilities based on his experience during the Korean war.

Dailies Discuss N-S Dialogue, Possible Summit

SK2209125594

[Editorial Report] The following is a compilation of an editorial and article published in ROK vernacular dailies on 22 September on resuming the South-North dialogue, which is being promoted by the ROK Government.

The left-leaning HANGYORE SINMUN carries on page 2 a 600-word article by reporter Chang Chong-su on the government's policy regarding the South-North dialogue. The article reports the government is making "full-pledged efforts" to resume dialogue with North Korea, assuming "a flexible attitude after abandoning its strong policy toward the DPRK following Kim Il-song's death."

Noting that the government's "anxiety about North Korea's cold reaction to expressing its will for dialogue," the article reports: "In this depressing atmosphere, former U.S. President Jimmy Carter's role as mediator is worth paying attention to because it is an effective card that can induce the DPRK to come to the negotiating table." The article reports that "the government also plans to have the United States sound out North Korea's will for dialogue" at the 23 September DPRK-U.S. talks in Geneva.

The article reports: "It is the government's basic position that there must be an official power succession in the DPRK before the resumption of a South-North dialogue." Pointing out restrictions in the government's "indirect contact" with the DPRK, the article concludes by doubting "if the United States will insist to Pyongyang that U.S.-DPRK relations cannot be improved without a South-North dialogue, and if the DPRK will accept former U.S. President Carter's advice to resume dialogue with the South."

The conservative CHOSON ILBO carries on page 3 a 900-word editorial entitled "Dialogue and Summit." While agreeing with the need for a South-North dialogue, the editorial stresses: "It is too early to discuss a South-North summit at present."

Emphasizing the need for a South-North dialogue, and noting the DPRK is trying to exclude the ROK from relations with the United States, the editorial stresses: "The ROK can play an important role in improving U.S.-DPRK relations if North Korea is willing to cooperate in resolving the nuclear issue." It continues: "If the DPRK keeps trying to avoid dialogue with the ROK, and keeps trying to estrange the ROK from the United States, then the ROK can persistently thwart [kkukkaji turoborilsu itta] U.S.-DPRK relations." The editorial urges the DPRK "not to undervalue the ROK's ability," and to be "wise enough to accompany the ROK in improving its relations with the United States."

However, the editorial opposes any discussion of a South-North summit at present because "no top leadership officially exists in North Korea," while consenting to holding a South-North summit "after the North Korean regime officially recovers its normal functions and stability." Criticizing hasty discussions within the government on a South-North summit, the editorial concludes by stressing: "Whatever former U.S. President Carter's intent, and whatever the hidden purpose of some government officials, South- North relations should flow with a tide catering only to public popularity without first having an order, plan, or step."

Soviet 'Secret' Report on Kim Chong-il Viewed

SK2509052094 Seoul SEOUL SINMUN in Korean 25 Sep 94 p 1

[Report by correspondent Yi Ki-tong from Moscow]

[Text] SEOUL SINMUN has obtained a top secret document submitted to the Central Committee of the Communist Party of the Soviet Union [CPSU] in 1985 by Mikhail (Shuvnikov), then Soviet ambassador to Pyongyang.

The document was based on a dialogue exchanged between Kim Chong-il and Ambassador (Shuvnikov) at a health resort in Wonsan on 12-13 October, 1985. It was learned that the 15-page document was immediately reported to the CPSU Central Committee as a top secret document and was read around by Politburo members.

The report pointed out: Kim Chong-il has firmly consolidated his position as an apparent heir by holding the commanding and supervisory rights over the overall state policy work, including personnel changes in the party and state.

The document quoted Kim Chong-il as saying during the dialogue with the ambassador that he was directly involved in personnel changes in the party and the state; the establishment of the economic plan; the North-South relations; and the convocation of the party Central Committee.

The document especially exposed that he had a firm grip on power in the overall work, from personnel changes of the Politburo members of the party and of the high-ranking military leaders to the military policy and the munitions industry. The report also revealed that he maintained close relations with North Korea's military leadership, including O Chin-u, minister of the People's Armed Forces.

Regarding the unification issue, Kim expressed his strong attachment to the Koryo confederal system and the tripartite talks among the North, the South, and the United States. The report added that he showed a competitive concern toward the South Korean system by saying "Since South Korea has built a 60-story building, we should build a higher building."

Touching on Kim Chong-il's health, the report revealed that all Kim Il-song's family members were prone to suffer from kidney stones and Kim Chong-il was also suffering from chronic kidney stones, but that Kim Chong-il was otherwise healthy.

The report also revealed that Kim Chong-il's fingers were all bent and abnormally short, apparently caused by drinking calcium-rich water while he was in Jilin, China, during the Korean war.

South Studies North Weather Information Exchange

SK2509053894 Seoul YONHAP in English 0530 GMT 25 Sep 94

[Text] Seoul, Sept. 25 (YONHAP)—South Korea is to propose to North Korea direct meteorological information exchange including construction of meteorological communication network between Seoul and Pyongyang.

The Korea Meteorological Administration (KMA) revealed Sunday at a report to the National Assembly that it plans to make the proposal to North Korean representatives at the 27th Economic and Social Commission for Asia and the Pacific (ESCAP)/World Meteorological Organization (WMO) typhoon committee slated for December in Macao.

The proposal includes construction of meteorological communication network, exchange of weather information and research reports and of experts on weather forecast and meteorological communication, according to the KMA.

Although members expressed supports to Seoul's proposal at the 26th ESCAP/WMO general meeting held in Manila last year, with North Korea absent, Pyongyang took negative attitude saying the issue is not subject to the typhoon committee as it is a inter-Korean problem.

The two Koreas have shared information through indirect exchange of limited meteorological data via Beijing and Tokyo.

South: No Response to North 'Tomb' Invitation

SK2609060194 Seoul YONHAP in English 0544 GMT 26 Sep 94

[Text] Seoul, Sept. 26 (YONHAP)—The Seoul government declined to respond Monday to North Korea's invitation of South Koreans to an entombment ceremony for the nation's founder in Pyongyang, saying no invitations have been received and that any decision must wait until they do arrive.

North Korean radio said Sunday that political and social organizations had sent "letters" to South Korean figures asking them to attend a ceremony celebrating reconstruction of the tomb of "Tangun," the founder of Korea.

The ceremony is scheduled for early next month in Pyongyang.

Among the invitees are retired opposition leader Kim Tae-chung, head of the opposition Democratic Party Yi Ki-taek and former Unification Minister Han Wan-sang.

A Seoul official said a decision will be made on whether to allow the invitees to visit the North after the invitations arrive.

Measures Studied for Eventual DPRK Collapse

SK2609094994 Seoul MUNHWA ILBO in Korean 26 Sep 94 p 2

[Text] The government assesses that North Korea will go through the "Kim Chong-il regime" and "anti-Kim Chong-il socialist regime" and then through the process of "collapse of its system" after losing the ruling power due to a shock caused by inflow of information following reform and opening up. It has been learned that under such assessment, the government has worked out general comprehensive measures to cope with this situation, including measures for refugees and arms reduction.

According to a secret report recently prepared by a certain government organization at the request of Chongwadae [presidential offices], the government estimates that approximately 2.5 to 4 million refugees will be generated in the event of the collapse of the North Korean system. To cope with this situation, the government decided to form "a crisis management organization" composed of dual channels with a high-level strategic team and working-level officials team to carry out measures for refugees and for emergency economic assistance to North Korea. The government also plans to collectively accommodate North Korean refugees on a temporary basis. However, with a view to sending them back to North Korea at an early date, the government will promptly provide North Korea with conditions in which North Korea can attain self-reliance rapidly through expansion of employment in North Korean areas.

Estimating that the adequate number of Armed Forces to be maintained after Korea is reunified would be about 500,000 to 600,000-strong, the report emphasized that approximately 1.2 million troops should be reduced from current level of Armed Forces of both North and South Korea, and in particular, two-third of the present level of the North Korean Army (reaching 700,000 to 800,000 troops) should be cut.

The report listed the following measures as major steps for economic integration: Liberalization of prices; integration of currencies; privatization of properties; wages; management-labor policy; financial unification, and long-range measures for economic stabilization. The report added details of implementation plans. On the premise that prior accumulation of enormous expenses required for reunification is neither possible nor desirable, the report maintains that black figures should be maintained in finance and international revenue and expenditure so that the capitals be procured promptly in an emergency.

This government report contains two scenarios, including an estimation that with success in reform and opening up, the North Korean system will "smoothly" turn into a market economy system, and another that the overall North Korean system will collapse, being unable to endure internal discord. However, this report estimates that these two phenomena may follow one after another as one ultimate situation. The report put forward countermeasures for this situation, thus attracting the people's attention.

North 'Expects' South Participation in Project

SK2409112894 Seoul HANGYORE SINMUN in Korean 24 Sep 94 p 1

[Text] It has been learned the DPRK expects the ROK to participate in the modernization of its communications network in the Najin and Songbong areas.

According to a report entitled "Plans To Expand North Korea's Communication Facilities in Preparation for North-South Reunification," which was submitted to State Science and Technology Council Chairman Yi Sang-hui by Korea Telecommunications on 23 September, the DPRK recently conveyed to the ROK via a third country its willingness to accept South Korean capital and technology to carry out its communication network project in these areas. The report said the DPRK expressed such willingness because, "in light of the immediate need to carry out the project, Pyongyang has no alternative but to push for it via a third country if South Korea fails to agrre to participate."

The report added that because the ROK Government maintains its position of not wanting to engage in economic cooperation with the DPRK until the nuclear issue is resolved, South Korean enterprises cannot easily participate.

The UN Development Program is taking the lead in developing the Najin and Songbong areas as part of its plan to develop the Tuman River. Therefore, these areas will emerge as key areas for communication networks in northeast Asia.

Therefore, it is most likely that both North and South Korea will miss their opportunity to take the lead in controlling the communication networks in these areas if a foreign country takes over the project because of the ROK Government's hardline attitude toward the DPRK regarding economic cooperation. U.S. communication companies, including AT&T and Motorola, have recently expressed intentions to advance into the DPRK. This is related to the government's position.

Regarding this, the report said: "To minimize the occupation of domestic communication markets by foreign enterprises, and to prepare for the reunification of the country, the government should immediately decide if it will participate."

South's Share in USFK's Defense Costs Viewed

SK2609045394 Seoul HANGUK ILBO in Korean 26 Sep 94 p 2

[Text] It has been learned that the amount of our country's share of the defense spendings of the U.S. Forces Korea [USFK] totals $260 million this year, showing a whopping 44 percent increase as compared against 1992.

Land provided to the USFK free of charge, totals about 73.6 million pyong [one pyong equals 3.954 sq. yds], including about 71,000 pyong for the housing of U.S. Embassy employees inside the Yongsan base. This shows that our country's additional burden—besides the share in defense spendings—exceeds upwards of $2 billion, thus showing a trend of increasing every year.

According to the materials submitted by the Ministry of Foreign Affairs to the National Assembly Foreign Affairs-National Unification Committee on 25 September, our share of the USFK's defense spendings was $180 million in 1992; it was $220 million in 1993; and it has increased to $260 million this year. The breakdown of this year's share follows: $38 million for the project of increasing combined defense capabilities; $52 million for military supplies; $50 million for military construction projects; and $120 million for Korean laborers' wages.

Besides our burden in the USFK's defense expenditure, we are providing, free of charge, the support of immovable properties such as land and buildings (73.68 million pyong of land and 101.67 million pyong of buildings), and also providing other direct and indirect supports, including the support of KATUSA [Korean Army to the U.S. Army] personnel and other military supplies. All of these supports totaled $2,364.09 million in 1992 and $2,193.51 million in 1993 in monetary terms.

Defense Ministry Diverted Funds To Buy Weapons

SK2609031294 Seoul TONG-A ILBO in Korean 26 Sep 94 p 1

[Text] It was learned on 25 September that the Ministry of National Defense changed last March its mid-term national defense program and decided to import from the United States, on an emergency basis, weapons—which had not been originally planned to be purchased within this year—worth as much as 330 billion won in Korean currency by diverting money from the Yulgok budget.

It was learned that in regards to this, weapons worth 180 billion won were already imported during the first half of this year, and another batch of weapons worth 150 billion won will be imported by the end of this year.

This fact is based upon the results of a survey by lawmaker Yim Pok-chin, Democratic Party, who is a member of the National Defense Committee of the National Assembly. Lawmaker Yim said that such weapons were originally to be imported after 1995, but that their purchase was abruptly advanced.

Lawmaker Yim said: It seems that such an emergency need was presented because the United States had applied pressure on our country to purchase weapons while laying emphasis on the crisis on the Korean peninsula.

It was learned that such a change in the mid-term national defense program was made on an emergency basis from 27 to 31 March with a focus on the Army, while the Navy and Air Force were excluded. The changed program was presented to the Headquarters of the Joint Chiefs of Staff on 6 April and approved by the President on 12 April. The whole process was completed in only 13 days.

On 17 April, five days after presidential approval had been granted, U.S. Secretary of Defense Perry visited the ROK.

In a special news conference in Washington on 25 March before visiting the ROK, Secretary Perry outspokenly hinted at applying pressure to purchase weapons, saying:

"We have been strongly calling upon the ROK Government to possess the counter-artillery firing system, field gun acquisition radar, and various kinds of shells with a view to increasing ROK's artillery firing capabilities against North Korea."

According to Lawmaker Yim, the following weapons, which were imported recently, correspond to what Secretary Perry mentioned: counter-battery radar; night firing controllers for Cobra Helicopters; eight kinds of ammunition, including shells for an extended range for 155-mm guns; counter-infrared equipment; and next-generation FM radio sets.

Meanwhile, in spite of the ROK side's efforts towards purchasing weapons, it was learned that the U.S. House of Representatives applied pressure on our country to buy weapons by adopting on 9 June a resolution addressed to President Clinton to the effect that "it is necessary to urge the ROK Armed Forces to increase the combat power of their ground forces."

Ministry on 'Regular Practice'

SK2609031694 Seoul YONHAP in English 0226 GMT 26 Sep 94

[Text] Seoul, Sept. 26 (YONHAP)—The Defense Ministry admitted Monday to diverting 330 billion won (411.47 million U.S. dollars) from the "Yulgok" budget to arms purchases, but called it a "regular practice" and denied the money was used to buy U.S. weapons.

Out of the 330 billion won taken from the Yulgok (military modernization plan) budget, about 90 percent went into buying locally produced defense equipment and less than 10 percent, some 30 billion won worth, was used to buy American arms, the ministry said.

Opposition Democratic Party lawmaker Yim Pok-chin alleged that the Defense Ministry diverted the funds to buy arms that were supposed to be purchased after 1995.

Yim claimed that the hasty purchase was most likely the result of U.S. pressure.

The ministry responded that it is normal practice to use part of the Yulgok budget, unexecuted from purchase negotiation failures and other circumstances, for emergency defense buildup purposes.

The ministry spent 180 billion won in the first half of this year and plans another 150 billion won for the second half.

Its plans for the first half of this year were first proposed in December last year and approved by the president in April after consultations by the Joint Chiefs of Staff on 25 projects, according to the ministry.

Plans for the second half were determined early this month, it said.

The 330 billion won was allotted to buying FM radios, chemical, biological and radiological harness items, munitions, cannon-towing vehicles, nighttime infrared ray detection devices and other equipment, it said.

South Records 910-Million-Dollar Trade Deficit

SK2309082094 Seoul YONHAP in English 0753 GMT 23 Sep 94

[Text] Seoul, Sept. 23 (YONHAP)—Korea's trade deficit hit 910 million U.S. dollars in August on a customs clearance basis on the back of brisk imports, the Trade, Industry and Energy Ministry said Friday [23 September].

The country's exports stood at 7,640 million dollars last month, up 16.7 percent from August of last year, while imports grew 30.1 percent to 8,550 million dollars. The import growth rate is the highest since July 1991 when it recorded 31.7 percent.

During the January-August period, the country's trade deficit totaled 5,170 million dollars, up 2,240 million dollars from a year before, with 64.23 billion dollars in imports (a 16.6-percent increase) and 59.06 billion dollars in exports (a 13.3-percent rise), according to ministry figures.

Imports for the entire year are expected to surpass the ministry estimate of 95 billion dollars to reach 98 billion dollars as issuance of import licenses (ILs), which soared more than 35 percent over a year earlier during the first half, jumped 36.4 percent in August over the corresponding month in 1993.

The ministry attributed August's brisk imports to rising demand due to active facility investment and Korea's economic recovery. Imports of capital goods and raw materials swelled 39.8 percent and 25.8 percent, respectively.

As for exports, shipments of heavy and chemical products expanded 21.1 percent and those of such primary goods as farm and mineral products rose 20 percent. Exports of semiconductors, in particular, topped 1 billion dollars in August for the third consecutive month.

By region, exports to the United States recovered with 17.5- percent growth, the third consecutive two-digit monthly growth rate, while those to Asian nations continued on a favorable path. Exports to Japan grew 17 percent, to ASEAN (Association of Southeast Asian Nations) 32.4 percent and to Taiwan 20.6 percent.

But the trade deficit with the country's three largest markets—the United States, Japan and the European Union (EU)—surged to 10.15 billion dollars as of August's end due to the brisk expansion of capital goods imports. The trade shortfall with Japan alone swelled to 7,810 million dollars during the cited period, an increase of 1,960 million dollars over a year earlier.

Korea recorded a 10-million-dollar trade deficit with China, its first red ink since January due to more than 40-percent import growth stemming from active imports of such consumer goods as farm products and apparel, in spite of an export growth rate of 20 percent, according to the ministry.

Interest in Foreign Workers Program 'Growing'

SK2409020494 Seoul YONHAP in English 0108 GMT 24 Sep 94

[Text] Seoul, Sept. 24 (YONHAP)—Demand is growing among other nations wanting Korea to include their citizens in the second training program for 10,000 foreign workers, due to open shortly, the Korea Federation of Small Business said Saturday.

The federation, which serves as the program organizer, said countries like Mongolia, India and Uzbekistan have asked that their workers be included in the second training program as well as 10 nations—China, Vietnam and the Philippines, among others—which participated in the first program from May to September.

Each nation has been lobbying through the dispatch of government officials or by sending letters to the federation to promote the excellence of its own workers, according to the federation.

Korea reportedly agreed to accept ethnic Koreans in Uzbekistan as trainees when President Kim Yong-sam visited there in June.

Thailand, which refused to send its workers because the trainee wage of 250 U.S. dollars was insufficient despite the country's selection for the first program, recently dispatched a high-level labor official to ask for the country's inclusion in the second program, explaining the refusal "came from misunderstanding."

Almost every country which took part in the first program has lobbied to send more workers for the second through diplomats stationed here or through officials, according to the federation.

A federation official revealed, "We will decide on assigning the number of trainees per nation by considering first of all the hopes of domestic enterprises to accept foreign trainees and then the diplomatic ties with concerned nations and industrial policies."

IPI Director Fritz Meets With Media in Seoul

SK2309121894 Seoul YONHAP in English 1133 GMT 23 Sep 94

[Text] Seoul, Sept. 23 (YONHAP)—Johann Fritz, visiting director of the International Press Institute (IPI), said on Friday [23 September] the world's pressdom has been undergoing a sweeping change in the wave of digitalization and computerization.

Fritz said in a press conference at the Hotel Lotte that at the IPI's Seoul meeting next year discussion will be made with emphasis on the new media sector.

The IPI director arrived in Seoul last Wednesday to help prepare for the 44th IPI general meeting in Seoul next May.

"The Seoul meeting will become a forum to explore ways to resolve inter-Korean confrontation peacefully and discuss new global security relations in the post-Cold War age," Fritz said.

On Korea's introduction of cable television and satellite broadcasting, he said cable television and satellite are good partners.

"It is desirable that in large cities, cable television stations receive channels via satellite for distribution to cable-TV subscribers," the IPI director said.

As for the freedom of press, Fritz said nobody has the right to regulate the role of the press, stressing that the press should struggle to protect subscribers' interests from pressures from political powers or advertisement buyers.

Asked if the IPI Seoul meeting would adopt any resolution on the press situation of North Korea, Director Fritz said North Korea is not a democratic country.

"So, there is no need to waste time by mentioning again there is no freedom of press in North Korea," he said. "South Korea needs to show an appeasement posture toward the press condition of North Korea."

South Becomes Observer to OECD Committee

SK2309071694 Seoul YONHAP in English 0647 GMT 23 Sep 94

[Text] Seoul, Sept. 23 (YONHAP)—South Korea has become an observer at the Organization for Economic Cooperation and Development's [OECD] Employment, Labor and Social Affairs Committee, the Foreign Ministry said Friday. The ministry said it had received OECD notification dated Sept. 16. South Korea now belongs to five OECD committees and bodies as a full member and to 13 others as an observer. Seoul plans to join the OECD by the end of 1996.

* DLP Social Development Research Center Viewed

942C0209B Seoul IRYO SINMUN in Korean 17 Aug 94 p 10

[By reporter Sim On-ho; first paragraph is IRYO SINMUN introduction]

[Text] The Social Development Research Center [Sagaeyon], a special institute under the DLP Office of Planning and Coordination, is drawing public attention once again in the wake of the recent 2 August by-election because of its erroneous forecast of the election results.

During the 14th presidential election in 1992, Sagaeyon became the talk of the town because of its pre-election forecast that candidate Kim Yong-sam would lead candidate Kim Tae-chung by a margin of 2 million votes (the actual margin was 1.98 million votes). During the recent 2 August by-election, it forecast DLP victory in two out of the three electoral districts, but the forecast was wide of the mark, serving a considerable blow to the DLP's election strategy. Leaving aside the margin of error for the Susong-A constituency, the error in the forecast for Kyongju City, North Kyongsang Province, was so gross that it even affected the chance of election for the candidate and upset the DLP's political strategy for the future. For this reason, interest and controversy have been aroused anew over Sagaeyon, which was shrouded in a veil in the past.

The origin of Sagaeyon dates back to May 1984. Chong Son-ho, then DJP assemblyman, established it as a private research center modeled after the computer-based political techniques of the Republican Party in the United States. Later, unable to cover its operating cost, Assemblyman Chong proposed to then President Chon Tu-hwan in 1986 that the DJP take over the private research center to make it into a party-operated research center because the party needed a scientific research organization in promoting an advanced political culture.

In response, President Chon on 5 June approved the plan to convert Sagaeyon into the DJP-run research center. He is said to have gladly donated 2 billion won in support of the center to cover its operating and other expenses. From then on Sagaeyon received financial assistance as a nonelective organization of the DJP.

President Chon's purpose in supporting this research center was to "introduce advanced politics by having the desires of the public actively reflected in various policies of the government and the ruling party." But according to some critics, that was the nominal purpose for public consumption, the real intention being somewhere else. Even some former Sagaeyon officials say it seemed that President Chon's real purpose was to send up trial balloons to observe public reaction to his various posretirement scenarios.

In fact, in the middle of the 1987 political turmoil created over the question of whether or not to revise the Constitution, President Chon received frequent reports from this research center on the drift of public opinion regarding "the Yi Min-u plan" and "the 13 April measure to preserve the Constitution." He also received weekly reports on the general trend of public opinion regarding the controversy over the question of revising the Constitution to pave the way for a cabinet form of government and the "one No vs three Kims"/"one No vs Two Kims" election strategies.

In fact, public opinion on the 13 April measure to preserve the Constitution as surveyed by Sagaeyon turned out to be very unfavorable, and the result was reported to Chongwadae. A concerned official recently disclosed that at that time Chong Son-ho (member of the 12th National Assembly), who was the first director of Sagaeyon, reported to the president the additional information that the majority of public opinion was in favor of "the system of direct popular election of the president."

According to belated reports, Chong also told President Chon that Mr. No would have a chance of victory if the presidential race was to be fought between one No and three Kims, and recommended that the president accede to the public demand for a direct election of the president. The same official added that Sagaeyon's reports like this must have played a decisive role in bringing about the "29 June [1987] proclamation" and must have been used as a reference material at least.

But unfortunately (?), Chong Son-ho had to relinquish his post as director of Sagaeyon shortly before the 29 June proclamation came out, as a consequence of his analysis of public opinion, which ran counter to the desire of the president. Most probably, the firing of Sagaeyon Director Chon was a reflection of President Chon's inner intention.

The role and weight of Sagaeyon increased under the Sixth Republic. Sagaeyon conducted public opinion polls on various outstanding issues, such as the question of carrying out a "midterm evaluation" of the performance of the new government according to the election pledge of the party in power, the question of merging three parties into one, and the question of who should be the ruling party's presidential candidate. It analyzed the results of these polls and reported them to the president. According to concerned officials in those days, Sagaeyon conducted public opinion surveys from time to time on the question of whether or not to revise the Constitution to introduce a cabinet repressibility system, for which the government of the Sixth Republic still had some lingering attachment.

Of course, during the 13th and 14th presidential races and various other elections, Sagaeyon from time to time conducted public opinion surveys and analyzed the results of these polls, thereby contributing to the election strategies of the leadership of the government party. The forecasts made by this research center were so accurate that they surprised the concerned party officials.

Because Sagaeyon was "taken over" as President Chon's "secret research center," very few party officials knew of its existence during the first year following its takeover. It operated secretly in Building D near the Securities Exchange in Youido, Seoul. When President No was the party president, he visited this research center several times, but very few, if any, of the officials of the party headquarters knew of these visits.

It was shortly before the 29 June proclamation was issued that Sagaeyon moved its office to the party building in Kwanhun-tong, Seoul. Despite its relocation in the party building, its presence was still treated as a secret to outsiders. Reports prepared there were directly forwarded to the president, who was also the head of the party.

A glance at the list of the successive directors gives a glimpse of its importance. They are: Chong Son-ho, first director; Kim Chong-in, second; Pae Song-tong, third; and Cho Kyong-mok, fourth. They all belonged to the inner circles of the then presidents. Assemblyman Kang Sam-chae, the current director, is a key figure in the RDP faction directly aligned to President Kim Yong-sam.

For nine years, until it was officially merged into the party machinery as part of the DLP Office of Planning and Coordination in May 1994, Sagaeyon had to behave like a private organization which had nothing to do with the government party. The maintenance of its secrecy was the reason. From the president's point of view, it must have been hard for him to reveal Sagaeyon's existence to the public because he needed a secret channel to keep abreast of the drift of public opinion on various delicate problems.

Sagaeyon hung its signboard on 14 May and made a new start as an organization belonging to the DLP Office of Planning and Coordination and under the direct control of the DLP secretary general. Putting an end to a total of nine years of its affiliation with the old DJP forces, Sagaeyon has now entered an era under the control of the RDP faction.

Sagaeyon's conversion to the status of an official DLP organization has been accompanied by a partial reorganization. Its stature has been improved with the position of its executive officer in charge of operations upgraded from the rank of division chief to that of deputy bureau chief. Its office was moved to the party headquarters building in Youido from Kwanhun-tong.

Its functions have been drastically expanded and it is now charged with the following tasks, in addition to taking public opinion polls on government and party policies: collecting materials relating to elections and party affairs; dealing with matters relating to the scientizing and computerizing the handling of party affairs; and performing other duties deemed as necessary by the director.

The Kim Yong-sam administration assigned far more roles and weight to Sagaeyon than the Fifth and Sixth Republic did. Prior to the introduction of the real-name financial transaction system, Sagaeyon confirmed that the overwhelming majority, more than 90 percent, was in favor of the system. This confirmation helped the government in putting this system into execution.

It has been learned that Sagaeyon's report on the result of its survey played a decisive role in naming the DLP's official candidate for the 2 August by-election in the Kyongju electoral district. Naturally, Sagaeyon is expected to play a significant role in choosing the party's official candidates in future elections at all levels, such as local and general elections.

Nevertheless the DJP faction in the DLP looks askance at Sagaeyon controlled by the RDP faction. Some members of the DJP faction pointed out that Sagaeyon has been relegated to a research center devoid of objectivity because "a political figure" affiliated with the influential group behind the scenes has parachuted down to take up the post of executive officer in charge of operations with the rank of deputy bureau chief. This, argue some LDP members affiliated with the DJP faction, was the reason why Sagaeyon made such a gross error in its analysis of public opinion during the 2 August by-elections.

Audit Board Plans Special Inspection on Taxation

SK2309062594 Seoul YONHAP in English 0606 GMT 23 Sep 94

[Text] Seoul, Sept. 23 (YONHAP)—The Board of Audit and Inspection (BAI), spurred by the massive embezzlement of tax revenues at Inchon city's North ward office, decided Friday to launch a major special inspection of more than 100 taxation agencies starting Monday.

This will be the largest probe of its kind in terms of the number of agencies subjected to special inspection and inspectors mobilized—200—since the BAI's founding in 1948.

A senior board official said Friday the sweeping special inspection will be conducted based on the judgement that the Inchon tax embezzlement case "has not only shocked the public enormously, but also is giving rise to mistrust of taxation administration, requiring urgent steps addressing tax irregularities."

He noted that the taxation irregularities in Inchon have exposed loopholes throughout the administration of not only local but also national taxes. "We intend to uproot wrongdoing and corruption in taxation administration by carrying out an intensive special inspection with a large number of inspectors put on the job," the official said.

The board tentatively plans to conclude the special inspection by mid-October, and then decide whether to extend it and increase the number of agencies under examination.

With regard to local taxes the BAI, considering that a computerization exercise has yet to be completed, plans to ferret out possible instances of corruption by cross-checking sources of property, acquisition and residential taxes collected, and receipt books kept at tax offices.

As for national levies such as earned income tax, the board reportedly plans to probe possible irregularities by comparing the Bank of Korea's computerized data treasury revenues against receipt books kept at pertinent tax offices.

Prosecution Plans To Probe Firms for Tax Evasion

SK2609022094 Seoul YONHAP in English 0201 GMT 26 Sep 94

[Text] Inchon, Sept. 26 (YONHAP)—The prosecution, probing an enormous tax scandal involving officials at the Puk-ku (North ward) office in this western port city, will investigate some 10 companies suspected of having evaded billions of won in land acquisition taxes in collusion with the officials.

While examining tax payment receipts forged by An Yong-hui, 53, a senior Puk-ku office tax collector under arrest for embezzlement of tax revenues, and other Puk-ku officials, prosecutors have found over 20 bogus receipts for more than 100 million won apiece, including two for 600 million each, a spokesman said Monday.

Judging that the bogus receipts were co-products of the officials and companies which bought land on which to build apartments in the Puk-ku area in 1992 and 1993, the prosecution has decided to look into how 10 of these companies paid their land acquisition taxes.

The firms include one which bought an area covering 12,800 square meters for 77 billion won in July last year and another which purchased a 9,100-square-meter plot for 5.4 billion won.

In addition, the prosecution arrested three Puk-ku officials and two tax practitioners Saturday when they reported to the Inchon district prosecutor's office, bringing the total arrested in connection with the tax scam to 18. Two remain on the wanted list.

The number of forged registration and acquisition tax payment receipts confirmed by Sunday amounted to 2,936 worth 7,009.8 million won.

Burma

Khin Nyunt Meets Kachin Delegation in Rangoon

BK2509151094 Rangoon Radio Myanmar in Burmese 1330 GMT 25 Sep 94

[Text] Lieutenant General Khin Nyunt, chairman of the Work Committee for the Development of Border Areas and National Races [WCDBANR] and secretary-1 of the State Law and Order Restoration Council [SLORC], received a delegation led by U Lamon Tu Jai, a Kachin national leader from the KIO [Kachin Independence Organization], at the Defense Services Guest House on U-yin Road in Yangon [Rangoon] at 1300 today. The Kachin delegation included U Sai Phone, Dr. Lah Ja, U Khun La, U Zaw Naw, U Gyi Naw, and respectable persons who are contributing to peace.

The meeting was also attended by Lt. Gen. Maung Thint, minister of progress of border areas and national races and development affairs; Major General Aye Kyaw, commander of the Northeast Military Command; Colonel Kyaw Win, deputy director of the Directorate of Defense Services Intelligence, Lieutenant Colonel Pe Nyein, director general of the SLORC Office; Lt. Col. Thein Han, director general of the WCDBANR Office; and responsible personnel.

They held discussions and coordinated on the regional development programs concerning social matters, economy, and transportation in the region.

Foreign Minister Departs for UN Assembly Meeting

BK2309154894 Rangoon Radio Myanmar in Burmese 1330 GMT 23 Sep 94

[Text] U Ohn Gyaw, leader of the Myanmar [Burmese] delegation and minister of foreign affairs, left Yangon [Rangoon] by air this evening to attend the 49th United Nations General Assembly, underway in New York since 20 September 1994. Foreign Affairs Minister U Ohn Gyaw was seen off at Yangon Airport by Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council; Lt. Gen. Chit Swe, minister of forestry affairs; Energy Minister U Khin Maung Thein; Japanese Ambassador Takashi Tajima; (Mr. Sancha Satony), charge d'affaires in the French Embassy; (Mr. Pandit Thiswa), charge d'affaires in the Indian Embassy; and responsible personnel from the Ministry of Foreign Affairs.

Tourism Minister, Delegation Depart for Indonesia

BK2309160394 Rangoon Radio Myanmar in Burmese 1330 GMT 23 Sep 94

[Text] A four-member Myanmar [Burmese] delegation led by Lieutenant General Kyaw Ba, minister of hotels and tourism, left by air at 1400 today to visit Indonesia at the invitation of Indonesia's minister of tourism, post, and telecommunications. The delegation was seen off at the airport by Labor Minister Lt. Gen. Aye Thaung; Brigadier General Abel, minister of national planning and economic development; the Singapore and Indonesian ambassadors; heads of the departments; and relatives and friends.

Bangladesh Repatriates 1,157 Refugees 14 Sep

BK2509083294 Rangoon THE NEW LIGHT OF MYANMAR in English 20 Sep 94 p 7

[Text] Altogether 1,157 persons of 232 households arrived back at five reception camps from Bangladesh on 14 September under the agreement reached between Myanmar [Burma] and Bangladesh. Altogether 121 persons arrived back at Taungpyo camp, 374 persons at Ngakhuya camp, 58 persons at Pyinpyu camp, 488 persons at Kanyinchaung camp and 116 persons at Magyichaung camp. A total of 69,665 persons have arrived back from Bangladesh during the period from 22 September 1992 to 14 September 1994.

Brunei, Malaysia & Singapore

Brunei

Iranian Foreign Ministry Official on Visit

LD2509103194 Tehran IRNA in English 0951 GMT 25 Sep 94

[Text] Tehran, 25 Sep, (IRNA)—The Iranian Foreign Ministry Deputy for Asia-Pacific Affairs, 'Ala'eddin Borujerdi, said that decisive confrontation with Western cultural assault was a permanent policy of the Islamic Republic of Iran.

The Iranian official made the remark in Darussalam Saturday [24 September] in a meeting with Brunei's Minister of Culture and Sciences Haji Abdul Aziz [name, title as received] during which he said that the ban on satellite programs by Iranian parliament was a very significant measure to confront the Western cultural onslaught.

Borujerdi, who is in Brunei to make preparations for the forthcoming visit of Iran's President 'Ali Akbar Hashemi-Rafsanjani to that country, further voiced Iran's readiness for cooperation with Brunei in academic fields including exchange of students and setting up of arts and tourism exhibitions there.

Haji Abdul Aziz, too, commented that the Western cultural assault aimed at destroying religious faith of Muslims and stressed that Muslims should adopt serious measures to struggle against such an invasion.

Malaysia

Minister Criticizes Western View of Human Rights

BK2409090794 Kuala Lumpur Voice of Malaysia in English 0800 GMT 24 Sep 94

[Text] Western nations advocating human rights issues in the developing world must take into account cultural, religious, political, and socioeconomic differences. Defense Minister Datuk Sri Najib Tun Razak said the doctrine of individual autonomy championed by the West was not necessarily [word indistinct] to normal Western society. Malaysia believes the human rights issue needs to be viewed from the aspects of current problems faced by developing countries, such as lack of development, political crisis, poverty, and internal armed conflicts. He said this when opening a workshop on human rights in Kuala Lumpur. Datuk Sri Najib said developing countries were under pressure since the major powers use the human rights issue to suppress other nations while closing their eyes to abuses in countries under their influence.

'Former Judge' Detained for Links With Al-Arqam

BK2609065694 Hong Kong AFP in English 0441 GMT 26 Sep 94

[Text] Kuala Lumpur, Sept 26 (AFP)—A former judge has been detained for having links with an outlawed Malaysian Muslim sect whose leader and at least five other members are being detained under state security laws, police sources said Monday.

Khairil Annuar Ujang, an ex-sessions court judge and now senior federal counsel to the Malaysian government, was picked up at his home in the outskirts of Kuala Lumpur late Saturday for his involvement with the al-Arqam sect, the sources said. It was not immediately known whether he was being held under the Internal Security Act (ISA), which effectively provides indefinite detention without trial.

Al-Arqam leader Ashaari Muhammad, his wife and four key members of the sect were arrested under the ISA last month after the messianic sect was banned by the government for alleged deviationist Islamic teachings and practices.

Sources said 41-year-old Khairil was a son-in-law of Ashaari and legal adviser for al-Arqam. The Universiti Malaya law graduate was attached to the home ministry, which comes under Prime Minister Mahathir Mohamad, before being moved to the attorney-general's office in August.

Last week, a former aide to deputy Prime Minister Anwar Ibrahim was also arrested for associating with al-Arqam. Hassan Mohktar was a director of the sect's group of companies and responsible for its daily operations. The government has warned all civil servants to avoid al-Arqam and has authorised police to crack down on the sect's communes.

Singapore

Prime Minister Goh Returns From Australia

BK2509142794 Singapore Singapore Broadcasting Corporation in English 1400 GMT 25 Sep 94

[Text] The prime minister is back in Singapore after a vacation in Australia. Mr. Goh Chok Tong, who returned home this evening, had been on an official visit to Australia earlier this month before going on leave.

Cambodia

Foreign Minister Departs for UN Assembly Meeting

BK2409090394 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 24 Sep 94

[Text] A delegation of the Royal Government of Cambodia led by Prince Kromkhun Norodom Sirivut, deputy prime minister and minister of foreign affairs and international cooperation, left on the evening of 23 September to attend the 46th UN General Assembly meeting to be held on 26 October in New York City in the United States. After attending the General Assembly the delegation will pay an official visit to Hungary, Bulgaria, and Poland.

Interior Minister on SRV, Immigration Law

BK2509131994 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 25 Sep 94 pp 1, 9

[Excerpts] Co-Interior Minister Yu Hokkri has categorically rejected a report that the Interior Ministry has invited Vietnamese experts to review Cambodia's immigration law. He asserted: "My ministry, like myself, has never done anything like that."

The minister made the denial when Representative Ros Hean asked him about a radio report claiming that Vietnamese experts would come to review the immigration law. [passage omitted]

Asked about the Interior Ministry's reaction to Vietnamese President Le Duc Anh's letter asking the king to review the immigration law, Yu Hokkri said this was the duty of the National Assembly, not his ministry. Answering a question as to whether the Interior Ministry had invited Vietnamese experts to review the immigration law, the minister said no, adding: I categorically reject this report. I, like the Interior Ministry, never invited Vietnamese experts to come and reexamine the law. Reviewing the law is the duty of the National Assembly, not the government. Moreover, as the Interior Ministry is part of the government, why should it invite Vietnamese experts to review that law? Inviting Vietnamese experts to review Cambodia's laws is against the government's principles.

Yu Hokkri further said: The Interior Ministry is currently drafting a sub-decree to determine the official gateways where foreigners can enter or leave Cambodia. Foreigners entering the country through these gateways will be considered legal while those coming through other passes will be considered illegal and will be expelled immediately. The draft law has already been completed; it is only awaiting the decision to implement it.

Interior Minister on Probe of Editor's Murder

BK2509130294 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 25 Sep 94 pp 1, 2

[Text] Co-Interior Minister Yu Hokkri claims that witnesses have told the Interior Ministry the identity of the four assassins—two policemen and two civilians—who recently killed Nun Chan, editor of SAMLENG YUVEAKCHON KHMER. The interior minister added that the witnesses identified the desperadoes when they were shown pictures of several suspects. He further said: "The ministry is presently closing in on the culprits." The minister disclosed this when he was questioned by the National Assembly's Human Rights and Petitions Commission.

Last week, Yu Hokkri confirmed that 75 percent of the investigation into the assassination of Nun Chan had been completed. He reaffirmed the 75 percent result to the National Assembly commission on the morning of 23 September. It was understood that the 75 percent the interior minister referred to was presumably some evidence that had been found, but not the culprits themselves.

It has been almost 20 days since the assassination of Nun Chan, but the issue remains alive in the hearts of the general public.

Khmer Rouge Radio Calls U.S. Official 'Murderer'

BK2409101094 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 23 Sep 94

[Unattributed commentary: "The United States Has Come To Fuel the War To Kill Cambodia—They Are Murderers"]

[Text] Peter Tomsen, the U.S. deputy assistant secretary of state, said during a recent visit to Phnom Penh that he will provide $33 million to the two-headed government to enable the latter to continue fighting Democratic Kampuchea. This statement clearly shows that Peter Tomsen did not come to Cambodia to assist the country, but to openly fuel the communist Vietnamese aggressors' war to kill Cambodians. Tomsen's face is that of a murderer collaborating with communist Vietnam to kill and exterminate the Cambodian race.

Hey murderer Tomsen! When one or two of you disappeared or were killed, you made a lot of noise all over the world. You also know how to grieve. How about the millions of Cambodians killed over the past 15 years in the communist Vietnamese aggressors' war? How great is Cambodia's pain? If you continue this war, how many more millions of Cambodians will be killed or disabled? How great will the grief be of Cambodian families that have lost their beloved children, wives, or husbands? What do you think Cambodians are, animals that you can kill whenever you want? This is the kind of creature that Buddha calls a bloodsucker devil.

Peter Tomsen, Cambodians are not animals that will let you kill them easily like chicken or pigs. Cambodians love their lives, nation, and race; they will not let you do whatever you want at will. Cambodians will strive and fight absolutely to safeguard the lives of their families, nation, and race. Therefore, if you get burned, it is your own responsibility.

Treatment of Vietnamese Refugees Abroad Viewed

BK2509083494 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 24 Sep 94

[Station editorial: "While Countries Around the World Forcibly Repatriate Vietnamese to Vietnam, the Two-Headed Government, Communist Vietnam, the United Nations, and Those Courting Vietnam Are Bending Over Backwards To Protect the Vietnamese, Thus Enabling Them To Massacre More Cambodians"]

[Text] 1. Just a few days ago, Hong Kong residents and police forcibly put a group of Vietnamese refugees on a plane and repatriated them to Vietnam. This repatriation was done ruthlessly, without any consultation with the Hanoi administration or the countries that side with Vietnam. The Hanoi administration did not dare make a fuss and the villainous alliance remained silent.

2. The German Government has declared a halt to its aid to the Hanoi Vietnamese to pressure Vietnam into agreeing to a plan to repatriate Vietnamese. It should be recalled that a law has been drafted to expel the Vietnamese from Germany, and the German people themselves have kicked the Vietnamese out of their villages and suburbs.

3. Australia, which is a close ally of communist Vietnam and has given communist Vietnam a free hand to swallow Cambodia, has categorically refused to allow Vietnamese refugees to settle in Australia. It has taken stern measures to round them up and put them in camps before deporting them from Australia.

In Cambodia, the Cambodian people can no longer wait for a solution to the issue of the 4 million Vietnamese who are swallowing the country. They condemn Vietnam, the two-headed government, and human rights organizations for assisting the Vietnamese in massacring Cambodians. They denounce those who court Vietnam for protecting the Vietnamese and allowing them to massacre their compatriots. The Cambodian people will unite and rely on their own strength to settle the issue of the Vietnamese gradually, taking into account the concrete situation and conditions in each area. This endeavor will continue until the Vietnamese are completely expelled from their villages, communes, and districts.

KR Troops Attack South of Battambang 23 Sep

BK2309133994 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 23 Sep 94

["Special Report From the Battlefield South of Battambang Town"]

[Text] During the night of 22-23 September at 0030, the National Army of Democratic Kampuchea [NADK] and the people on the battlefield south of Battambang town swept and smashed the invading troops of the two-headed government in a four-pronged attack.

The first prong attacked and destroyed three positions of the invading forces at Phnum Taphde, Phnum (Ta Khot), and Phnum (Cheung Kuy). We completely destroyed and occupied these three positions and are moving forward. The preliminary result from this first prong is that we seized two 76.2-mm guns, one 14.5-mm gun, a DK-75 gun, and a 12.7-mm gun and destroyed five military vehicles and a piece of heavy caterpillar equipment.

The second prong attacked the Reang Kesei and (Svay Cheap) railway stations. We are in complete control and are moving ahead.

The third prong attacked and cut off the O Sralau railway bridge destroying the 20-meter bridge. This front is also forging ahead to the north along the railway line. We also fired four rockets into the southern part of Battambang town.

The fourth prong swept along the Sangke River from (Kamhot) to Bay Damram. We are in complete control and are moving toward Vat Kor and Vat Ta Mom monasteries in Battambang town.

The people in south Battambang are rejoicing and joining our national army on all prongs to sweep the invading troops and the traitorous state authority of the two-headed government. We are moving toward Battambang town. The invading troops of the two- headed government are being routed and are in confusion all over Battambang town. Scores of soldiers, policemen, and officials of the two-headed government have surrendered to our NADK and people.

Long live the NADK, guerrillas, and people on the battlefield south of Battambang town!

Indonesia

Vice President, Delegation Return From Australia

BK2309160994 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 23 Sep 94

[Text] Vice President Try Sutrisno, his wife, and delegation returned to Indonesia about an hour and 24 minutes ago after concluding a three-day official visit to Australia.

A report from RRI correspondent Sudirman Hala says that Politics and Security Minister Susilo Sudarman; Minister/State Secretary Murdiono; Armed Forces chief Feisal Tanjung; Marshal Rilo Pembudi, Air Force chief of staff; Jakarta City Governor Suryadi Sudirja; and a number of other high-ranking officials were on hand to welcome Vice President Sutrisno, his wife, and delegation at Halim Perdanakusumah International Airport in Jakarta. The vice president held a 30-minute news conference with a number of reporters at the airport.

Official Welcomes 'Improving Ties' With Australia

BK2309151494 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 23 Sep 94

[Text] Theo Sambuaga, chairman of the Interparliamentary Cooperation Agency of the House of Representatives, said in Jakarta today that improving ties between Australia and Indonesia will decrease the number of people and groups in Australia that are anti-Indonesia. He said that Ramos Horta, a figure in a security disturbance movement, is someone who has invented baseless issues concerning Indonesia while residing in Australia.

Theo Sambuaga said that the improving ties between the two countries are reflected in Australian society's acknowledgement of Vice President Try Sutrisno's visit to that country. Continuing, he said that the vice president's address at a seminar called Security in the Asia-Pacific Toward the Year 2021 received loud applause. The content of the vice president's address was very significant. At the seminar, opened by Australian Prime Minister Paul Keating, the vice president explained Indonesia's national defense principles in connection with the country's relations with its neighbors, especially countries in the Asia-Pacific region. Theo Sambuaga also said that Try Sutrisno's statement on the matter automatically enlightened the vague understanding of Indonesia's concept of defense and security among some minor Australian groups.

Editorial Views U.S. Foreign Economic Policy

BK2409142494 Jakarta THE JAKARTA POST in English 15 Sep 94 p 4

[Editorial: "America Incorporated"]

[Text] The composition of the United States' business delegations visiting Asia in recent weeks and the messages the missions have conveyed show an invigorated America Incorporated undertaking a concerted campaign to win business contracts. That means creating jobs back home.

The missions such as the high-powered delegation led by Secretary of Commerce Ron Brown to China recently and the one in Jakarta early this month represent the implementation of a foreign policy that focuses on helping win deals for American businessmen.

The active participation of foreign affairs officials in U.S. business missions clearly shows that the U.S. Government is serious about pursuing what President Bill Clinton proclaimed in the middle of last year as a post-Cold War foreign policy that uses trade as its leading edge.

That emphasis seems realistic as the U.S. has been trading increasingly with Asia. For example, its two-way trade with the ASEAN countries alone has exceeded U.S.$60 billion a year and this trend points to a steady rise as more of the Asian economies continue their robust growth.

The national export strategy, which was formulated by the Clinton administration last year, has thus become prominent in America's foreign policy. The strategy, among other things, lists Indonesia, China, South Korea, India, and several other countries as big emerging markets. It also identifies telecommunications, aerospace, pharmaceuticals, information technology, medical equipment, infrastructure, and environmental technology as major emerging sectors. These emerging markets and sectors are being targeted for concerted U.S. export promotion.

The question, though, particularly to the countries in Southeast Asia, is whether that foreign policy will compromise America's crusade for human rights and democracy, which have become increasingly important in the U.S. public agenda in the post-Cold War era. If the approach the U.S. Government used to settle its bone of contention regarding the human rights issue in China in June is a reliable indication, more tradeoffs for its economic interests may be on the horizon.

Further down the line, we may also expect a more pragmatic attitude on the part of the U.S. towards Indonesia's records in workers' rights protection, which are still being assessed in connection with the pending review of its continued access to the U.S. Generalized System of Preferences trade privileges.

The U.S. Government may have realized that without significant involvement in the region's economy, its leverage to influence political matters will be severely limited. That is especially relevant for Southeast Asian countries, including Indonesia, whose self-confidence has been rising along with their greatly impressive rates of economic growth. But as the U.S. becomes increasingly involved in the Asia-Pacific Economic Cooperation forum and consequently becomes more aware of the importance of the region to the revitalization of its economy, it is expected to profess a higher sense of understanding about the region's great complexity and divergent interests.

Such an understanding will not, however, mean that the U.S. government should condone blatant human rights violations in the region such as the military shootings of unarmed civilians. Rather, it should have a better perspective regarding the quality of democracy in the Asia-Pacific area.

The U.S. should live with the reality that authoritarian governments, however offensive they might be to the American sense of democracy, are not automatically bad for countries encountering potential instability from their multiethnic and multireligious populations.

Minister Comments on Cairo Population Forum

BK2309130594 Jakarta THE JAKARTA POST in English 15 Sep 94 p 2

[Text] Jakarta (JP)—Indonesia hailed yesterday the 20-year action plan to curb world population growth contained in the final declaration of the just ended United Nations International Conference on Population in Cairo.

Minister of Population/Chairman of the National Family Planning Board (BKKBN) Haryono Suyono, who led the Indonesian delegation to Cairo, told reporters on his arrival at the Sukarno-Hatta Airport that Indonesia could live with the final declaration.

The Vatican and a number of staunch Muslim and Catholic countries endorsed the Cairo declaration with some reservations particularly over the question of abortion, homosexuality and gay rights.

Haryono said that overall, the declaration heeded religion, ethical values and the cultural diversity existing in the world. The strategy to rein in birthrates adopted by the conference is similar to Indonesia's family planning program, he said.

"Now the document has been adopted by all participants, it seems that our family planning program is approved by the world. This shows that we are on the right track," Haryono said. "If you read the document, you might wonder whether it had been written by BKKBN."

Indonesia was actively involved in the preparation of the draft documents before they were taken to Cairo. In Cairo, Indonesia actively lobbied among the various participants.

Haryono said quality health care and the increased participation of men are two main factors in Indonesia's national family planning program, and these were duly recognized in the final document of the Cairo conference.

The nine-day gathering, attended by 182 states, ended on Tuesday with a partial rejection by the Vatican and reservations from some countries following heated debates on the issues of abortion and sex.

Along with the members of the Organization of Islamic Conference, Indonesia succeeded in persuading the conference to delete abortion as a means of family planning as stated in the original draft, Haryono said.

"Even though we are receiving financial assistance from the West for our family planning program, we would not just follow the way they carry out their birth control strategy," he said.

Indonesia objected to the use of the term "other unions" outside traditional marriage, Haryono said, adding that Indonesia clings to the view that a family should consist of "a father, a mother and children." He acknowledged that relationships outside marital unions were recognized in the final document "although not explicitly".

Haryono praised the conference, which put its weight behind the rights of women and girls. The conference targeted cutting the maternal mortality rate by 50 percent by 2000. Haryono said Indonesia, which has one of the highest maternal mortality rates in Asia, has launched a massive campaign to cut the death rate from 450 in every 100,000 to 225 in 1998. He said that Indonesia got a lot of attention from the other participants because it has been so successful in curbing its population growth to around 1.6 percent a year from nearly two percent in the early 1980s.

Haryono said that Indonesia, as leader of the Non-Alignment Movement [as published], also received widespread support when it presented a resolution on ways of stabilizing population growth. Seventy-three countries signed the resolution, he said. The minister said he also used the conference to discuss bilateral cooperation with other developing countries, including Iran and Bangladesh.

Government Assures Rice Self-Sufficiency

BK2309131194 Jakarta THE JAKARTA POST in English 16 Sep 94 p 1

[Text] Jakarta (JP)—The government yesterday assured the country that it will remain self-sufficient in rice this year in spite of the severe drought that has affected rice fields in a number of provinces.

"We project that this year's harvest will produce 27.7 million tons of husked rice while our consumption will reach 26.7 million tons," Minister/State Secretary Murdiono told reporters after a meeting with President Suharto at the Merdeka Palace here yesterday.

Murdiono met the President together with Coordinating Minister for Economy and Finance Saleh Afif, Minister of Agriculture Syarifudin Baharsyah and State Minister of Food/Chairman of the Logistics Board Ibrahim Hasan to report the latest development of the country's rice fields during this dry season.

"The very severe drought will reduce our rice production but our self-sufficiency in rice is still safe," Murdiono said.

The current drought, according to the Agriculture Ministry on Monday, has affected about 843,000 hectares of rice fields, 150,000 hectares of which were completely damaged. The amount of damaged area increased 39,000 hectares, up from the 111,000 hectares figure given last month by Director General of Food Crops and Horticulture Amrin Kahar.

Kahar also predicted that the drought may slash four percent off this year's rice output level, down from last year's production level of 48.1 million tons of unhusked rice.

Although self-sufficiency is still safe, Murdiono added that rice must still be imported to "strengthen our supply." He said Indonesia recently imported about 400,000 tons of rice, most as repayments of rice loans.

Minister of Food Ibrahim Hasan said recently that Indonesia plans to import in a total of 665,000 tons of rice from Vietnam and Thailand under counter-trade and loan-payment plans.

Finance Minister Discusses Offshore Debt Situation

BK2409134894 Jakarta THE JAKARTA POST in English 16 Sep 94 p 1

[Text] Jakarta (JP)—Minister of Finance Mar'ie Muhammad announced yesterday that Indonesia's offshore debts stood at U.S. $89 billion as of last June.

"According to our research along with the World Bank's, the country's offshore debts stood at around $89 billion at the end of June, $59.46 billion of which was owed by the government and some $29.5 billion by the private sector," Mar'ie said in a hearing with Commission VII of the House of Representatives (DPR) here. Mar'ie's figure is slightly lower than that announced in April by Coordinating Minister for Economy and Finance Saleh Afiff, who placed the country's offshore debts at some $90 billion as of March.

During yesterday's hearing, Mar'ie said that out of the government's foreign debt, $22.26 billion was accrued under bilateral agreements with creditor countries, $18.58 billion under multilateral financing schemes, $13.37 billion under export financing schemes, and $2.91 billion under commercial arrangements.

In addition, $1.37 billion was accrued under leasing arrangements, $99 million by floating bonds, and $875.30 million was owed by the government from several years ago, he said.

Mar'ie said the government, in making new loans, will continue to put a high priority on bilateral and multilateral aid which offers loan concessions.

Indonesia in July received loan commitments of $5.2 billion from the creditor members of the World Bank-chaired Consultative Group on Indonesia (CGI).

Mar'ie gave no details of the foreign loans owed by the private sector. He assured reporters that according to the latest report of Bank Indonesia, the central bank, the foreign debts of the private sector was not higher than $30 billion as of June.

"However, I warn the private sector not to borrow excessive amounts from foreign sources in order to keep the country's balance of payments at a convenient level," he said.

According to the government's budget plan, Indonesia expects a slight increase in its current account deficit to $3.2 billion this fiscal year from $2.82 billion estimated for last fiscal year, but the country's balance of payments will likely more than double to $1.12 billion from $506 million.

Mar'ie said the bulk of the private sector's foreign loans have short terms of maturity. "I expect that private sector businessmen are aware of the risks of accruing short-term borrowing," he said, adding that the government is not in a capacity to restrict the private sector from raising debts.

"What we can do is to make regular cross-checks with the central bank on the position of the private sector's foreign debts," Mar'ie said. "But it is possible that the private sector does not report their own foreign loans to the central bank."

He said the private sector should manage offshore debts, being careful to apply rigorous standards. For that purpose, the government has set up ceiling on offshore commercial borrowing, Mar'ie added. Until next fiscal year, the ceiling on offshore commercial loans are set at $6.5 billion. The annual ceilings for foreign loans of the central bank, state banks, and private banks are set at $500 million, 1.0 billion, and $500 million respectively.

Under the existing ceilings, private companies are permitted to borrow up to $2.8 billion from foreign creditors in this fiscal year and up to $2.9 billion next fiscal year. Meanwhile, the state companies are allowed to borrow up to $1.4 billion in the current fiscal year and up to $.16 billion [figure as published] in the next fiscal year.

Philippines

Nuclear-Armed Warships Unwelcome at Ceremony

BK2509090994 Hong Kong AFP in English 0832 GMT 25 Sep 94

[Text] Manila, Sept 25 (AFP)—Foreign warships taking part in a commemoration of General Douglas MacArthur's wartime landing in the central Philippines will be barred if they carry nuclear weapons in violation of the constitution, a senior official said Sunday.

Foreign Undersecretary Rodolfo Severino said the government had issued six conditions for the entry of foreign vessels into the country to join the elaborate, 50th anniversary rites on Leyte island on October 20. These include compliance with a constitutional provision barring nuclear arms and other weapons of mass destruction from Philippine territory, as well as adherence to local environmental laws.

Press reports here said the United States has committed to send several fighter planes and five warships such as the USS Mobile Bay, an Aegis class cruiser equipped with nuclear-capable Tomahawk missiles.

Australia and France have also said they would contribute ships to the occasion, commemorating MacArthur's 1944 beachhead after bloody sea battles that marked the beginning of the Philippines' liberation from a brutal Japanese occupation.

It was not clear how Manila planned to impose the conditions because of a standing worldwide policy by the United States of neither confirming nor denying the presence of nuclear arms in their vessels. Such a policy has prevented Manila in the past from enforcing the constitutional provision on warships entering the former US Subic Bay Naval Station north of the capital, before the Philippine senate forced American troops out of the base in 1992.

"That's their (US) problem. The conditions are there and the presumption is they comply with them," Severino said.

Philippine officials hope that the occasion will attract tourists and are planning to put up a "tent city" as well as cock and horse fights to spice up the ceremonies.

Malaysia's Defense Minister Arrives in Manila

BK2609052294 Quezon City Radio Filipinas in English 0230 GMT 26 Sep 94

[Text] Malaysia's Defense Minister Mohamed Najib Tun Abdul Razak has arrived in Manila for talks on closer defense cooperation between the Philippines and Malaysia. The (?chief) and Defense Secretary Renato De Villa are expected to sign a memorandum of understanding on defense cooperation during the Malaysian minister's five-day visit. In his arrival statement Najib said he would also look into possibilities of industrial cooperative ventures between the two countries which were once estranged by a bitter territorial dispute over ownership of Sabah in East Malaysia. Both governments have agreed temporarily to set aside the Sabah row to advance bilateral and regional cooperation.

Defense Agreement Signed

BK2609101294 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 26 Sep 94

[Text] The Philippines and Malaysia today signed a defense cooperation agreement. The memorandum was signed by Defense Secretary Renato de Villa and his Malaysian counterpart Datuk Sri Haji Mohamed Najib bin Tun Haji Abdul Razak. It calls for the exchange of information, logistics, and training of both countries' Armed Forces. The accord was signed during the second day of Razak's visit to the Philippines. De Villa said the agreement will promote good relations.

[Begin recording in English] [De Villa] This framework arrangement represents a milestone in our relations and provides an opening for a new partnership and bilateral cooperation on defense matters.

[Razak] The memorandum of understanding on defense cooperation that is before us heralds a new chapter indeed in our time. I am certain that this momentous event will enhance Philippine-Malaysian relations. [end recording]

Government Welcomes Suu Kyi-Junta Meeting

BK2309115394 Hong Kong AFP in English 1135 GMT 23 Sep 94

[Text] Manila, Sept 23 (AFP)—The Philippine government on Friday welcomed the meeting earlier this week of Burmese opposition leader Aung San Suu Kyi and the ruling military junta, saying it was in accord with Southeast Asia's "constructive engagement" policy on Rangoon.

The Foreign Department said it hoped the Rangoon meeting would be "the start of a meaningful dialogue which could lead to substantial progress in the reforms being undertaken" in that country.

It added that "this could also lead to an early resolution the issue of Aung San Suu Kyi's house arrest" which began more than five years ago after the Burmese military leaders rejected the victory of her party in national polls.

Manila said that together with the other members of the Association of Southeast Asian Nations—Brunei, Indonesia, Malaysia, Singapore and Thailand—it had consistently called for constructive engagement with regard to (Burma) and resisted calls for the exertion of greater pressure on the junta.

Sison on Government-Communist Peace Talks

BK2309155694 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 23 Sep 94

[Interview with Jose Maria Sison, Communist Party of the Philippines leader, by Jessica Soho in the Netherlands; date not given—Sison replies recorded]

[Excerpt] [passage omitted] [Sison] The two sides have decided and want the peace talks to progress. Both sides said that their goal is a fair and lasting peace. Now the outcome of the talks hinges on both sides' presentation of their respective positions.

[Soho] Sison brands as untrue the notion held by others that the talks are going nowhere. He said that the talks are heading in a definite direction, but the process is slow.

[Sison] Both sides have been fighting for so long, more than 25 years now, so it is not easy to reach a substantial agreement. It is not that easy. As what Luis Jalandoni, spokesman for the National Democratic Front, has said, the (?Brooklyn) meeting had a favorable result. The path to a fair and lasting peace is askew, it has its ups and downs, it is complicated.

[Soho] After their first meeting at The Hague, both sides agreed on the substantive agenda: human rights, social and economic reforms, and disposition of forces. These were further strengthened during the second meeting in (?Brooklyn). It is hoped that there will not be any change during the next meeting. While others are growing impatient over the progress of the talks, Sison can not say how long the talks will last. He said it is enough that both sides continue to talk and have peace as their objective.

[Sison] Maybe I can cite an international example—Namibia. Didn't they talk for 30 years? I am not saying that I favor long talks. What I want to say is that it is hard to anticipate how short or how long the talks should be.

[Soho] The government and the National Democratic Front panels are scheduled to resume their talks here in the Netherlands before the end of the year. Right now, details of the meeting are being kept secret by both sides. [passage omitted]

Army Chief Notes 755 Communist-Influenced Towns

BK2609075094 Manila THE MANILA CHRONICLE in English 23 Sep 94 p 6

[Report by Eric Garafil]

[Text] A total of 755 barangays [villages] nationwide have to be cleared by the Armed Forces from communist influence to meet its deadline of turning over the counterinsurgency operations to the national police, Army Chief Lt. Gen. Romulo Yap reported.

Yap has identified the provinces with barangays still affected by communist insurgents as Leyte, Bohol, Siquijor, Sulu, Southwest Negros, Panay Island tri-boundaries, boundaries of Surigao-Davao-Agusan, Zamboanga del Norte, and Kalinga Apayao.

Under the new Local Government Code, the AFP [Armed Forces of the Philippines] is mandated to turn over its counterinsurgency responsibility to the PNP [Philippine National Police], but some sectors particularly Senator Rodolfo Biazon insisted that the counterinsurgency operation should be retained by the AFP. Yap said he is confident the Army is ready to give the counterinsurgency to the PNP but hinted he has some reservations over the idea.

"We are ready to turn over areas the PNP is ready to accept," Yap said.

MILF Camp in Maguindanao Province Described

BK2609080794 Quezon City MALAYA in English 23 Sep 94 p 3

[Text] Cotabato City—If you get clearance and you have legs strong enough for a five-hour hike, you can visit

Camp Abubakar, the biggest camp of the Moro Islamic Liberation Front [MILF] in Maguindanao Province.

Camp Abubakar looks more like an ordinary farming community than a rebel camp. Men farm while women take care of their children and homes. The children go to a five-room semi-concrete school building where teachers accredited by the Department of Education, Culture and Sports are MILF members.

But the camp has something else which, Ghazzali Jaafar, MILF vice chair for political affairs, said is one of the reasons why the 30,000 who live there enjoy zero criminality. It is called a correction clinic where those who commit serious offenses are reformed. Fifteen "prisoners" most of whom are MILF regulars accused of robbery, were locked up in the concrete cubicle-lined clinic. The highest-ranking among them was Kumander [Commander] Putao, who is charged with gunrunning.

"We still hope the prisoners will reform," said prisons director Mahuddin Kasim.

Government Approves Five Development Projects

BK2309130394 Manila BUSINESS WORLD in English 22 Sep 94 p 7

[Text] Five development projects worth P[Philippine pesos] 2.24 billion were approved by the National Economic and Development Authority (NEDA) Board last Tuesday, the NEDA said in a statement.

Socioeconomic Planning Secretary Cielito P. Habito said the projects will ensure government's effort towards sustainable development through infrastructure, environment protection, and decentralization.

The first project is the Aurora Integrated Area Development Project (phase II) to accelerate economic growth in the province. The project would support the region's thrust of poverty alleviation, improve infrastructure and social services and facilities and increase agricultural production and redirect industrial activities to agriprocessing. The estimated total project cost is P456.315 million, the funding of which shall be provided by the European Union.

The second project is in line with the Department of Environment and Natural Resources' thrust to arrest the deterioration of the environment. This involves the upgrading of the environmental testing laboratory of the Environmental Management Bureau through the acquisition of necessary facilities, equipment and materials to the implementation of policies and standards related to water quality, effluent standards, air quality standards, national ambient air quality standards, emission standards for stationery and toxic chemicals and hazardous wastes. The project, with an estimated cost of P322.50 million, is proposed under the 1995 Japanese Government's fiscal year grant aid program.

The third project is enhancement of meteorological delivery system to the countryside (phase II). One of the sectoral targets of the Medium-Term Philippine Development Plan (1993-1998) is the establishment of telecommunications facilities to improve weather forecasting, enhance safety and improve information exchange. The project will allow the agricultural sector to take precautionary measures to ensure the safety of people and property through main communications backbone for transmitting weather stations nationwide. It also aims to improve the Philippine Atmospheric, Geophysical and Astronomical Services Administration's capability for weather forecasting, and to ensure effective distribution to the meteorological information to support economic activities and to ensure safety of life and properties. The estimated total cost of the project, proposed for loan funding under the 7th French protocol, is P218.80 million.

The fourth project called governance and local democracy project supports the decentralization policy. The project's general objective is to achieve local governance with maximized citizen participation in selected provinces and independent cities and establishing a functioning system of communications to support replication. The total estimated project cost is $31.80 million, and will be financed by a grant from the United States Agency for International Development.

The National Integrated Protected Areas System (NIPAS) project was the fifth project approved. The project is consistent with Republic Act No. 7586 which established the NIPAS and seeks to protect and conserve bio- diversity resources through the identification and management of protected areas. The estimated total project cost is P356.5 million. The European Union will provide the grant funding for the project.

Thailand

Suphachai Holds Talks With Japanese Minister

BK2509102994 Bangkok THE SUNDAY POST in English 25 Sep 94 p 2

[Report by Wichit Sirithawiphon and Somphon Thapanachai in Chiang Mai]

[Text] Japan will increase its investment insurance to 10 billion yen as a further incentive for Japanese investors to enter Thailand.

Minister of International Trade and Industry Ryutaro Hashimoto announced the increase during 45 minutes of talks with Deputy Prime Minister Suphachai Phanitchaphak as part of the annual meeting of Asean economic ministers and Miti [Ministry of International Trade and Industry], which ends today.

In the joint statement released by Asean and Miti yesterday, Japan announced its readiness to use its foreign investment insurance programme to promote

Japanese investment in Asean and joint Asean-Japanese investment in third countries, including Cambodia, Laos and Vietnam.

Mr Hashimoto was quoted in the statement as saying Japan was willing to assist the creation of investment insurance systems in Asean countries through extending reinsurance coverage and providing professional training.

Dr Suphachai said after the meeting that Mr Hashimoto also announced the insurance could be used as loans for certain projects.

On other bilateral issues, Dr Suphachai said he asked Japan for advice in the setting up of a Food Development Centre to promote the quality of its food export industry and to import more Thai rice. The volume of Thailand's food exports to Japan has increased in recent years, but it is facing strict health regulations. Four products were cited during the talks, frozen shrimps, mangosteens, mangos and pineapples.

Dr Suphachai said the centre would help the Thai food processing industry to improve its quality, acceptable to Japan.

On the rice issue, Dr Suphachai said Japan was to open its rice market by 400,000 tons a year under the General Agreement on Tariffs and Trade. He asked that Japan buy Thai rice within this quota in proportion to its 30 per cent share of the world rice market.

Karun Kittisathaphon, deputy permanent secretary for commerce, said Gatt ratification would be put before Japan's Diet (parliament) on September 30. After Japan ratified Gatt, its rice market would open up in stages.

Asean ministers urged Japan to encourage further direct investment in Asean, and to increase local sourcing by Japanese firms operating in Asean. At the press conference, Dr Suphachai asked that Japan should help the relocation of the Japanese industries, affected by the yen's appreciation, to Asean.

Editorial Hails Success of ASEAN Pre-Meeting

BK2309125[illegible]94 Bangkok THAI RAT in Thai
23 Sep 94 p 3

[Editorial: "Another Step for ASEAN"]

[Text] The just concluded two-day meeting of ASEAN senior economic officials in Chiang Mai Province must be regarded as a proud success. Although participants could not agree on a few issues to be brought up for discussion in the upcoming ASEAN ministerial meetings, the meeting agreed with Thailand's proposal to reduce the time period for the implementation of the free trade area scheme to 10 years.

Former Prime Minister Anan Panyarachun was the one who took the initiative in persuading the six ASEAN nations to jointly set up a free trade area to cope with the formation of several other trade groups in the world, particularly the European Common Market. Originally, it was agreed that ASEAN's free trade area would be realized within a time period of as long as 15 years.

The meeting of senior economic officials from the six ASEAN member countries must be considered a success for Thailand because we intended to encourage all the ASEAN member countries to agree with the proposed shortening of the time period for the implementation of the free trade area scheme. In other words, every country must expedite the readjustment of its tariff rates and customs regulations and turn them into a common standard.

It is nothing unusual for participants in the meeting to have different views and disagree on certain issues such as trade liberalization among the APEC member countries and reduction of import duties on agricultural products. It is apparent that all countries want to protect their agricultural goods. However, this problem has been settled to a certain extent because the number of goods on the protection list has been greatly reduced.

The meeting should have reached an agreement on the ASEAN Investment Joint Venture (AIJV) scheme, which sets only 10 percent import duty for industrial products. The supporters and opponents cited both pros and cons of this scheme. It was obvious that all countries tried to protect their domestic industries and were hesitant to allow any nation to easily dominate the ASEAN market.

Despite different views, the meeting of senior economic officials in Chiang Mai Province was successful. ASEAN member countries disagree on some issues but are still well united. The setting up of a free trade area in a 10-year period will help strengthen ASEAN and enable it to cope with the new dimension of the world trade.

Meaning of ASEAN 'Chiang Mai Declaration' Viewed

BK2409125694 Bangkok THE NATION in English
24 Sep 94 p A6

[Editorial: "Action Must Follow Bold Words of ASEAN Meeting"]

[Text] The Chiang Mai declaration by the six-member Association of Southeast Asian Nations to bring forward the timetable for tariff cuts for goods traded within the region will have more far reaching ramifications than many people realize.

The Afta [ASEAN Free Trade Area] [as published] Ministerial Council has agreed to hasten the reduction in tariffs collected on industrial and agricultural goods under the Asean Free Trade Area to 0-5 per cent by the year 2003.

This move sends a number of signals to the people of this region especially those in business, the members of Asia

Pacific Economic Cooperation (Apec), the European Community (EU) and the World Trade Organization (WTO).

First is the political willingness of Asean to be assertive in world economic affairs. The obstacles that Afta has had in taking off since it was launched at the initiative of former Thai Prime Minister Anan Panyarachun reflect not only economic disunity, but also fears among Asean members of losing out among themselves under the trade bloc arrangement.

But now, they are demonstrating greater understanding and willingness to push ahead. Since Afta was launched, only a handful of industrial firms—mostly multinationals such as UK/Dutch-based Lever Brothers Co and Swiss-based Nestle Co—have seen the business potential of Afta. Even the Japanese have been cautious. But steadily, the obstacles are being addressed and dismantled.

Secondly, with a firm timetable coupled with the progress in attempts to create sub-regional economic cooperation such as the Northern Growth Triangle, the Quadrangle and the Hexagon, the moves towards a Greater Asean, Southeast Asia is becoming an ever more visible and attractive site to invest it [as published]. The foundations have been laid and greater economic prosperity will be ensured if the various plans and projects can be implemented.

Thirdly, this apparent economic potential ought to give Asean greater bargaining power within Apec although Asean members themselves may still disagree when and what form Apec should take and specifically whether it should become a free trade zone and how the so prescribed open-regionalism ought to work.

This is important as the rules for Apec's free trade area concept should be drawn up jointly by members based on a joint vision. Malaysia's reservations about the proposal by Apec's Eminent Persons Group to push for regional free trade clearly reflects this. The Apec concept ought to be thoroughly examined within the bounds of Afta because the Americans may have their vision of the Information Superhighway, finance and services; the Japanese a plan for the automobile and electronics sectors but these may not necessarily be in Asean's interests.

Fourthly, and most importantly for Thailand which is seeking to boost its relations with neighbouring countries in the fields of energy, finance and industrialization, the Chiang Mai declaration ought to bring the long standing issue of how to restructure the tariff system for raw materials, intermediary materials and finished products to an end.

The announcement on tariff realignments to boost the competitiveness of Thai industries is long overdue. The Finance Ministry has completed its work but the government has yet to show the courage to approve it for fear of upsetting certain industrial groups. The hastening of the Afta timetable makes it imperative that the announcement be made soon so that Thai industries can begin the necessary adjustments. The longer the delay the more casualties the economy will suffer.

Eleven industrial sectors and one agriculture area are subject to tariff restructuring. One of the stumbling blocks has been the petrochemical industry and how tariff adjustments would affect the textile sector. The Afta Council has resolved to maintain petrochemical products within the normal track of tariff cuts. This should now provide the basis for what the Thai government should do with the petrochemical industry.

All in all, policy decisions have been made and the real hard work is just beginning. From trying to lure in more participation from the Asean private sector to harmonizing customs procedures, these are areas which will prove if the people of Asean are to enjoy the benefits that lay before them.

Lack of ASEAN 'Vision' for Free Trade Bemoaned

BK2509105294 Bangkok THE SUNDAY NATION in English 25 Sep 94 p A2

[Article by Thanong Khanthong: "ASEAN Lacking a Vision Beyond Free-Trade Issues"]

[Text] At last week's Asean economic ministers meeting in Chiang Mai, there was a lack of serious discussion about a vision for the Asean Free Trade Area (Afta) beyond the year 2003.

The ministers were too busy with their task of rescheduling the timeframe for Afta to work on the future of the regional grouping after the completion of the tariff reduction programme 10 years from now.

Technically, Afta is not so much an entity as a series of tariff cuts that promote a freer flow of trade in the region, thus enhancing the region's competitiveness. Afta will truly come into being only in 2003 when tariff rates in the region have been brought down to 0-5 per cent.

This latest meeting, however, demonstrated that there seems to be a stronger political will among the six members of the Association of Southeast Asian Nations to get things done. Firstly, they decided to fast-track the establishment of a regional free trade area from 15 to 10 years.

Secondly, they widened the scope of Afta by deciding to include non-processed agricultural products on the tariff reduction scheme by next year. Because the protection of these products is still a politically sensitive issue, some of the agricultural products—such as rice or palm products—will be temporarily exempted from the tariff cuts.

Thirdly, Asean has shown a greater commitment, for the first time, to work on customs harmonization and non-tariff barriers. In the absence of these issues being addressed, regional economic integration is out of the question. In fact this will be a gigantic bureaucratic task that will determine the success or failure of Afta.

Fourthly, an Afta Unit will be established within the Asean Secretariat to help coordinate the machinery of Afta and to act as a one-stop service for the Asean private sector, which has been encouraged to get more involved in the scheme.

Beyond these four important developments in Afta, as mechanical as they look, there has been little attention paid to create a post-Afta vision for the region. Asean has been impotent when it comes to working on its own vision.

But the economic ministers did offer a clue as to the future development of Afta beyond the tariff reduction programme. They have ordered their senior officials to draw up a framework agreement on the coordination among services and to "look into the possibility" of concluding an agreement on intellectual property coordination.

It is almost certain that by the time Asean holds its summit in Bangkok in the latter part of 1995, the framework agreement on the coordination among services will be one of its highlights. This indicates Asean's willingness to broaden the scope of their coordination into one of the most important and complicated sectors of the economy.

The Asean economic ministers have refrained from suggesting outright that work on intellectual property cooperation should begin, since copyright, trademark and patent laws in the member countries are markedly different. It is necessary to study the variation of laws between countries before agreeing to work on a framework agreement.

Of immediate interest to Asean are efforts to make sure that Afta functions smoothly. Further, it has also called for the other signatories to stick to their commitments under the Uruguay Round of the General Agreement on Tariffs and Trade.

Asean has urged that the Uruguay Round agreement be ratified before the end of this year, so that the World Trade Organization [WTO] can be established by Jan 1, 1995. The WTO is the formal multilateral trade organization that will supersede Gatt.

Although Asean holds its vision protectively to its chest, it does not conceal its contempt for the vision for the Asia-Pacific offered by the Eminent Persons Group [EPG]. The EPG has recommended that member countries of the Asia-Pacific Economic Cooperation (Apec) consider steps to create a free trade area by 2020.

Obviously, Asean members, due to different national interests, have failed to stand together on the issue of how they should participate meaningfully in Apec. The establishment of a free trade area may come too quickly for some Asean members, who feel that the playing field is not quite level yet.

The most controversial part of the meeting last week was Asean's suggestion that the EPG disband by the November meeting of Apec. Asean believes that it should formulate its own vision for the Asia-Pacific, instead of leaving it to the EPG.

If Apec accepts free trade while the United States maintains its most-favoured nation (MFN) provision, Asean will risk a dilution of the success of Afta. Trade liberalization among Asean members is already tiresome enough, so the question remains whether Asean has the strength to take on players from outside the region while the MFN remains.

So it is unclear at this point how Asean will move ahead. Although it has succeeded in getting the Afta programme up and running, there is no guarantee that Afta will work if it is swallowed up by the larger framework of Apec.

The United States is playing hardball politics by trying to use Apec as a forum to knock down trade barriers. There will also be more trade negotiations after the conclusion of Gatt. Amid the sea of change, Asean can no longer afford to be shy with its vision, and certainly not with its action.

Editorial Notes Varying U.S. Opinion on Haiti

BK2509095594 Bangkok THE SUNDAY POST in English 25 Sep 94 p 22

[Editorial: "Painful Vietnam Legacy Influences American Debate on Haiti"]

[Text] In America there exists something known as "Vietnam", which despite what you may think, does not describe a country in Southeast Asia. The term refers to the collective disillusionment and emotional pain of a well-meaning and romantic people who really do believe in "democracy" and in their country as the global standard-bearer of the huge and magnificent idea.

Nearly three decades since US combat troops first went to Vietnam, and almost two decades since they left, Americans still have not come to terms with the massive contradictions inherent in the twin facts of American military and economic power, on the one hand, versus America as the beacon of democracy on the other.

Alas for all those of any ideological stripe who would have the world succumb to simplification, both of these American roles are real, and both have important impact—often for good in the one case, usually for ill in the other—literally everywhere in the world.

There is no general agreement in America even over how this thing called "Vietnam" should be defined. This is a large part of the trouble. There are at least two camps on the question, and they most emphatically are not communicating with one another. For convenience these two camps can be called the "right" and the "left".

The syndicated columnist George F. Will is a virtual personification of the American "right". In the September 19 issue of NEWSWEEK, he wrote of the long-impending occupation of Haiti: "Who would have imagined that when children of the 1960s Vietnam protests came to power they would seek a quagmire to get waist deep in? ...Clinton dare not risk asking the whole Congress to authorise the adventure.

"In a letter to Clinton, 139 House members (86 Democrats, 53 Republicans) said that except in a 'genuine emergency that threatens the safety of US citizens' the Constitution 'vests in Congress power to declare war and authorize use of force'. Under international law, an invasion of Haiti would be an act of war.

"One of the principal authors of the letter is Rep. David Skaggs (Democrat of Colorado). He was a Marine fighting in Vietnam when some of the civilians who are now planning the invasion of Haiti were denouncing the Vietnam War as unconstitutional because Congress had not properly authorised it."

The viewpoint of the American "left" is prominently expressed in the venerable weekly magazine THE NATION, whose resident writer on Haiti is Amy Wilentz, author of the important book The Rainy Season: Haiti Since Duvalier. In the magazine's August 22/29 issue, Wilentz advocated—even at such a late date—tightened economic sanctions to force Haiti's ruling military junta to give up power, in lieu of an invasion.

"The opening for democracy may not be wide," she argued, "and the moment may not be as dramatically satisfying as (exiled president) Aristide carried in on the Marines shoulders. But if the United States wanted to work for democracy, it would give Haiti a chance to develop it organically—and it would give Haiti's progressives the opportunity to work for real change in the social and economic status quo. It would also allow Aristide to return with much of his integrity, and therefore his political power, intact."

Wilentz very carefully framed her argument in the conditional tense ("would"), but what the American "left" needs to understand is that right and wrong notwithstanding, the American government simply cannot plausibly be expected to support someone as anti-American and anti-capitalist as Aristide. On the other hand, Will is being Will- fully obtuse to suppose that many Americans opposes the Vietnam War because it was unconstitutional. Millions opposed the war because they believed it was immoral.

A few days ago demonstrators could be seen outside the White House in Washington bearing placards reading "NO BLOOD FOR VOTES". No American blood, they meant to say. But the present Haitian situation's true parallel to Vietnam is not the military action that now has sort of taken place; it is the morality or otherwise of the administration's treatment of Aristide—whom Washington has allowed to languish in humiliating exile for three years—and individual Americans' response to it.

With that in mind, Americans would do well to remember words of the writer Mary McCarthy, written in 1967: "Either it is morally wrong for the United States to bomb a small and virtually defenceless country or is it not, and a student picketing the Pentagon is just as great an expert in that realm, to say the least, as Dean Rusk or Joseph Alsop." Rusk was the US Secretary of State under President Lyndon Johnson. Alsop was the most prominent American columnist of his day; his present-day counterpart is none other than George F. Will.

Yet again the great British writer Graham Greene, widely though wrongly noted for being "anti-American", put it more eloquently and succinctly than anyone. In The Quiet American, published a full decade before the first of some 550,000 US troops went to Vietnam, Greene's narrator said of Pyle, the novel's title character: "I never knew a man who had better motives for all the trouble he caused." He might as well have been describing Bill Clinton.

Deputy Foreign Minister Pays Visit to Libya

BK2509102594 Bangkok THE SUNDAY NATION in English 25 Sep 94 p A2

[Text] Deputy Foreign Minister Surin Phitsuwan will return from Libya today having observed the living and working conditions of Thai labourers in the country, an informed source said yesterday. Surin and officials from the Labour and Welfare Ministry left Thailand for Libya via Greece last Wednesday, the source said. His visit was the first by a senior Thai official since former [as published] Libyan leader Mu'ammar al-Qadhdhafi said this year that his country no longer wanted Thai labour.

Al-Qadhdhafi was reportedly furious with Bangkok because the Thai government bowed to United States pressure to shut job placement agencies here that have sent workers to Libya. The agencies were officially closed because they held no licenses, but inside information claimed that the agencies sent Thai workers to build tunnels for Libya's nuclear power plants.

Surin's mission to Libya has been kept confidential for unknown reasons. The Foreign Ministry claimed that he went to Italy and Switzerland for private visits.

An informed source said that Surin was to observe the living and working conditions of Thai workers in the country. Thailand has no diplomatic representatives in Libya. The Thai Ambassador to Greece, Rawi Hongpraphat, does oversee Thai affairs in the country, however.

Surin was initially scheduled to visit Libya at the end of July, after receiving approval from the Libyan government. On the original itinerary, Surin, a Muslim MP, was to pay a courtesy call to al-Qadhdhafi to foster better understanding between the two countries.

Libya To Normalize Entry Procedures

BK2609032294 Bangkok THE NATION in English 26 Sep 94 p A3

[Report by Marisa Chimprapha]

[Text] Libya has promised to resume issuing re-entry visas to Thai workers because they are valued for their labour skills and willingness to work hard, Deputy Foreign Minister Surin Phitsuwan said. He was speaking upon arrival from Tripoli, where he spent a week observing the living and working conditions of Thais. Libya is the subject of sanctions imposed by the United Nations, but Surin denied his visit breached UN protocol.

"My visit to Libya did not breach the UN Security Council's sanctions because the resolution does not forbid visits on bilateral issues," he stressed. Surin said the Libyan ban on re-entry visas had applied to other foreign workers not just Thais. Workers from Holland and South Korea were also affected.

"I discussed the labour issue with Libyan Foreign Minister 'Umar Mustafa al-Muntasir and his permanent secretary Akram Khial during my visit. They assured me their country will resume issuing entry visas for Thai workers unconditionally."

Libyan leader Col Mu'ammar al-Qadhdhafi last year called for the mass sacking of Thai workers in the country. He claimed Bangkok had sided with the United States by closing down three job placement agencies which signed up people to work in Libya. The US had alleged the workers were being sent to build a chemical weapons plant. Al-Qadhdhafi claimed they were working on a river diversion project.

Foreign workers were not sacked en masse, but Tripoli reduced the number of Thai workers by rejecting applications for re-entry visas. Employers also refused to support applications for the extension of work permits, because they feared retribution from the authorities. The UN sanctions are aimed at pressuring Libya to hand over for trial two alleged intelligence agents suspected of planting the bomb which destroyed Pan Am Flight 103, a Boeing 747, over Lockerbie Scotland, in December 1988, killing 270 people. The sanctions, imposed in 1992 and tightened in 1993, affect diplomatic relations, weapons sales, aviation links and oil.

"There were about 10,000 Thais employed to on infrastructure projects in Libya," Surin said. "They sent home [baht] Bt80 million to Bt100 million per month. Their bargaining power with Libya is that Thai workers are highly skilled." He said Libya had suffered as a result of the UN sanctions, which have resulted in reduced foreign investment and financial support.

"During my visit, Tripoli authorities also allowed issuing of re-entry visas for 240 workers for a Dutch firm and for Dong Ah of South Korea. Everything concerning the labour market is improving."

Surin stressed that US allegations that Libya was building a chemical weapons plant was a bilateral matter between Washington and Tripoli. Thailand will not even try to intervene. Thailand last year signed the international Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and their Destruction.

Surin was accompanied by Deputy Permanent Foreign Affairs Secretary Pratchayathawi Tawethikun. His trip to Tripoli was kept secret. The Foreign Ministry announced only that he would leave for Switzerland and return home from Rome.

An informed source said US Ambassador to Thailand David Lambertson had learned of Surin's planned trip to Tripoli last week and sought talks with him before he went. The source said Lambertson disagreed with Surin making the trip and said Thailand should distance itself from Libya.

Surin yesterday said that before making the trip, he had thoroughly examined the terms of the Security Council resolutions and found he would not be violating them.

Spokesman Urges Reassessment of Cambodia Policy

BK2409142294 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 24 Sep 94

[Text] In connection with the report that arrived here yesterday on the imprisonment of the nine Thai nationals for alleged involvement in the abortive coup in Cambodia, Aphisit Wetchachiwa, spokesman for the Prime Minister's Office, said that since the two countries cannot reach any agreement on this problem the Thai Government should alter its attitude toward Cambodia. The Thai Government has been trying to no avail to have the Cambodian side specify the legal charges against these Thai citizens to ensure that they will be prosecuted in accordance with international practices and treated in line with the principles of human rights:

[Begin Aphisit recording] We should meet and further discuss appropriate actions. We have been trying to establish direct contacts. They must realize that Thailand has been playing a fairly active role in the peace process and securing assistance for various development projects in that country. If this is the reward for those endeavors, I think we should review our attitude toward Cambodia. [end recording]

Envoy Urges Questioning of Cambodian Coup Suspects

BK2609061994 Bangkok BANGKOK POST in English 26 Sep 94 p 6

[Report by Nopphon Wong-anan]

[Text] Cambodia—Thai Ambassador to Cambodia Sakthip Krairoek called on the Thai Government yesterday to consider Cambodia's request to allow its officials to "interview" several Thai citizens allegedly connected with the foiled coup plot in Cambodia last July.

"The Thai Embassy in Cambodia is still waiting for an answer from Prime Minister Chuan Likphai on whether Cambodian officials are allowed to go to Thailand to interview the Thais allegedly connected to the coup attempt," he said

Mr Sakthip said he had earlier contacted the Interior Ministry about the matter, but they did not make any decision, so the matter was forwarded to the Prime Minister last Monday. However, no reply has yet been received.

Mr. Sakthip said if Thailand allows Cambodian officials to interview the 14 Thais allegedly involved, "it would be a smooth landing for Cambodia in closing down the case.

"An interview with the 14 Thais allegedly involved would enable the Cambodian officials to close the case and release the other nine Thais," he said.

Mr Sakthip said Cambodian co-Prime Ministers Prince Norodom Ranariddh and Hun Sen, and Deputy Prime Minister and Foreign Minister Norodom Sirivut have confirmed that the remaining nine Thais would be released after the Thai government allows Cambodian officials to interview the remaining key suspects in the case. He said the remaining nine Thais have been held in Cambodia as witnesses in the case.

Mr Sakthip said the nine people have already been questioned and earlier this month had been shifted from the hotel to a prison, because the budget for the hotel has been exhausted.

An informed source said the reason Khmer officials want to question the 14 other Thai suspects was because one of the nine arrested in Cambodia allegedly confessed that he was asked to cut the electricity and telephone lines of several government offices the night the coup took place.

After the interrogation process, Cambodian officials said 33 Thais were allegedly involved in the coup attempt, 14 of whom were arrested while 19 escaped.

Among the 19 escapes, 14 have been identified, including several key suspects the Cambodian officials want to interview, such as Pol Col [Police Colonel] Adun Bunset, former MP of New Aspiration Party and consultant to Interior Minister Chawalit Yongchaiyut.

When asked about Thailand's action if it grants the Khmer request but Cambodian officials do not release the Thai citizens it holds, Mr Sakthip said:

"We would have to find stronger measures and there is nothing worse than calling the Ambassador back to the country."

Mr Sakthip said he is trying to contact Cambodian co-Interior Ministers, to ask for permission to meet the nine jailed Thais.

Earlier, the Cambodian government had asked the Thai government to send two key suspects to Cambodia, but the government failed to respond positively. The two suspects earlier said that they were willing to give interviews to Cambodian officials if they came to Thailand.

Cambodian Minister Warns of Landmine Threat

BK2409103194 Bangkok BANGKOK POST in English 24 Sep 94 p 2

[Text] Phanurangsi Camp, Ratchaburi—Cambodian Information Minister Ieng Muli says about 10 million mines in his country have not yet been detonated. He hopes Thailand will help tackle the problem by training Cambodian soldiers in defusing mines and by providing bomb-searching sniffer-dogs.

The minister, chairman of the Cambodian Mines Action Centre, said the United Nations estimated there were almost 10 million mines left in Cambodia which hindered development.

"To defuse mines in our country is a big problem and I hope the Thai Government will help us to tackle it," he said. So far, his government has disposed of only 20,000 mines.

The minister yesterday made his one-day trip to the Army Engineering Department where its director, Lt-Gen Narunat Kampanatsaenyakon, held a demonstration of bomb defusion.

"We have to thank the Thai Government and its engineering soldiers for assistance to us especially on its mine-defusion mission. Thai engineering soldiers also helped us construct highways," the minister said.

Vietnam

Article Examines U.S. Intervention in Haiti

BK2409141494 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 23 Sep 94

[Article by Luu Van Kha from the 23 September EVENING NEWS: "The United States May Become Bogged Down in Haiti"]

[Text] A deal struck at the last minute enabled Washington to avoid what it had to do eight decades ago; that is, use the world's most powerful army against Haiti. Now that an invasion with unpredictable consequences has been replaced by a peaceful landing, a question from the past still dangles amid an atmosphere of doubt; that is, how to control the situation in Haiti following the introduction of troops into that country.

To many observers, it seems like only a few hours since the United States achieved military victory in Haiti. Once its troops are in position, however, this country could become a cauldron. This is what Woodrow Wilson, then the White House boss, predicted in 1915. President Clinton believes that the U.S. military presence in the Caribbean country will be relatively short. A number of analysts predict, however, that the fate of this intervention will be no different than the previous one, when the U.S. presence dragged on for nearly a decade [as heard]. History seems to have repeated itself. Wilson used a Marine invasion to restore order in Haiti following the murder of President Guillaume Sam. Clinton carried out an intervention this time to reinstall the regime of the former leader, Jean-Bertrand Aristide, who was deposed in 1991, and to bring him back to power.

Experts note that last time the situation became extremely complex when U.S. Marines were compelled to deploy in countryside areas. Two years later, they had to declare martial law and take direct control of the Customs, economic, and financial sectors. Faced with an increasing anti-American mood, in 1918 U.S. troops stationed in Haiti had to cope with a second mass uprising initiated by the very forces that had murdered President Sam. That uprising resulted in the deaths of 15 U.S. Marines and 1,500 Haitians, including the leader of the uprising. His death was drummed up throughout the country as a deterrent to those participating in the anti-American struggle. Historians also recall that suppression then became Wilson's principal weapon to counter rebel groups and mass demonstrations. Although the United States remained in Haiti for 19 years, it failed to attain its goal, which is something that a number of experts and the mass media want to point out. They liken it to the move that the former Arkansas governor will undertake beginning today [as heard].

Once again U.S. troops have landed in Haiti. This time the landing was made possible by a deal reached between Washington's peace mission and the coup leaders to ensure that the transfer of power to exiled President Jean-Bertrand Aristide would be carried out without any resistance from local troops. Therefore, this was a peaceful invasion by U.S. troops. They will be replaced later by troops from 24 countries committed to joining a military force set up by the UN Security Council to tackle the Haitian issue. According to a deal signed on 18 September 1994 in Port-au-Prince, this military force will cooperate with the Haitian military junta during the transition of power to ensure the continued functioning of vital systems in the country. A number of local officials, however, express profound doubts about whether the situation will be truly calm. This is because they fear an even worse repetition of repressive actions during the Duvalier period. [Words indistinct] those loyal to the leaders of the 30 November 1991 coup d'etat reorganized their forces and drove the country into an atmosphere of terrorism in which human rights violations were commonplace.

The Haiti crisis has ended without the use of force. This is what the public expected. It is thought by many people, however, that in the days to come there will be dangerous liquidations with pro-coup elements playing a prominent role. According to what was reported from Santo Domingo, it would be difficult to have the Haitian National Assembly—made up chiefly of coup supporters—pass an amnesty bill as promised by the returning President Aristide. [sentence as heard]

It is predicted that it will be a long time before the coup leaders headed by General Raoul Cedras and the president he installed, Emile Jonassaint, will leave the country for good. This will further complicate the situation in Haiti.

Haitians Said 'Annoyed' by U.S. Presence

BK2609125894 Hanoi Voice of Vietnam in English 1000 GMT 26 Sep 94

[Station commentary]

[Text] Nine Haitians were shot dead on Saturday morning during a gun battle with United States Marines at a police station in Cap Haitien, a northern coastal city in Haiti. A spokesman for the United States Embassy in Haiti said that casualties of the gun fight were both American and Haitian troops. We now bring you a comment on that incident.

The United States Army has been in Haiti for one week now. Though the presence of the United States troops has been negotiated between the United States and Haiti, local Haitian people are very annoyed by the United States military presence in their country. The incident last weekend between the United States and Haitian troops was a vivid manifestation. The reaction of the Haitian people is justifiable because no matter the purposes of the United States presence, it can turn the island into an arsenal of gunpowder. Eight decades ago, the United States invasion of Haiti washed the island with blood and devastated the country. Now local people are concerned over the instability with the U.S. military presence. They are afraid of a new conflict between the United States Army and Haitians.

World opinion welcomes any measures to settle the conflict in Haiti without the use of violence but the United States-based troop dispatch is not the most positive way to bring peace and stability back to the island.

Phan Van Khai Meets With PRC Leaders 23 Sep

BK2409091094 Hanoi VNA in English 0633 GMT 24 Sep 94

[Text] Hanoi VNA Sept. 24—Deputy Prime Minister [P.M.] Phan Van Khai was received in Beijing yesterday afternoon by Premier of the State Council Li Peng.

Speaking to Mr. Phan Van Khai who arrived in Beijing on Sept. 22, Premier Li Peng affirmed that the party and government of China have attached importance to the maintenance and development of the lasting and stable Sino-Vietnamese friendship.

He said that there are many similarities between the two countries though a number of problems still remain. He said he believed that those problems would be solved by negotiations on the principles of mutual understanding and respect. The premier stressed that the development of economic and trade relations between the two countries is the foundation for the promotion of friendly and cooperative relations in other fields.

In reply, Deputy P.M. Phan Van Khai expressed the wish of the party, government and people of Vietnam to constantly develop the neighbouring relations between the two countries and considering this as a fundamental and long-term policy to meet the aspiration and interests of the two peoples.

Earlier on Sept. 22, Deputy P.M. Phan Van Khai held talks with Deputy P.M. Zhu Rongji on orientation and concrete measures to promote the economic relations between the two countries, to strengthen the trade, cooperation and investment relations in the fields of mutual concern on the basis of equality and mutual benefit.

Mr. Phan Van Khai invited Deputy Prime Minister Zhu Rongji to visit Vietnam at a convenient time. Mr Zhu Rongji accepted the invitation with pleasure.

Justice Minister Visits Canada; Signs Agreements

BK2409095794 Hanoi VNA in English 0548 GMT 24 Sep 94

[Text] Hanoi VNA Sept. 23—Minister of Justice Nguyen Dinh Loc has paid a 10-day visit to Canada as guest of Mr. Allan Rock, minister of justice and prosecutor general of Canada.

Talks was held on this occasion between the two ministers who studied the possibilities to promote and expand the cooperative relations for mutual benefit between the two services and measures to continue with negotiations for early signing of an agreement on justice support for a number of criminal affairs between the two states.

The Vietnamese minister also had working sessions with senior officials of the Ministry for Foreign Affairs and International Trade, the Canadian International Development Authority, the International Development Research Centre in the capital, Ottawa, and toured a number of other relevant establishments and organizations.

Also on this occasion, three agreements on personnel training and support to building a comparative law centre in Vietnam were signed with three universities. The Vietnamese ambassador to Canada and the newly-accredited ambassadress [as received] of Canada to Vietnam jointed the Vietnamese minister in his main activities.

Radio Reviews Economic Relations With Japan

BK2309155094 Hanoi Voice of Vietnam in English 1000 GMT 23 Sep 94

[Station commentary]

[Text] Vietnam Deputy Prime Minister Nguyen Khanh has met with Mr. Nobuo Matsunaga, director of the Institute for External Relations and the special envoy of the Japanese Government. Mr. Matsunaga said in Hanoi he would contribute to developing practical links between Japan and Vietnam. We review Vietnamese-Japanese relations:

Speaking at a special reception for Mr. Matunaga in Hanoi this week, the deputy Vietnamese prime minister, Nguyen Khanh, praised the Japanese Government's cooperation and support for socioeconomic development in Vietnam.

Economic and trade ties between the two countries have been long established and friendship between the peoples have strengthened. High-level officials have exchanged visits. Prime Minister Vo Van Kiet last year visited Japan, and this year the prime minister, Tomiichi Murayama, visited Vietnam.

The Japanese Government's resumption of overseas development aid to Vietnam has boosted the bilateral relations. Japan has given priority to two new projects now—drainage and environmental improvement in Hanoi and the rehabilitation of land. Japan is also granting over $77 million this year for other projects. That commitment was made during Prime Minister Murayama's recent visit to Vietnam.

Trade relations between the two countries have constantly increased, from $910 million in 1991 to $390 million [figure as heard] in 1992 and up to $1.8 billion last year. Currently Japan is one of Vietnam's biggest trading partners. However, Japan's investment in Vietnam is still limited. It is only the fifth largest investor with a total investment capital of $525 million.

Vietnamese Vice Premier Nguyen Khanh said Vietnam would create all favorable conditions for Japanese businessmen to effectively invest in Vietnam. Japan is the first country in the region to set up an organization like the Vietnam-Japan Cultural Exchange Association. It has made an important contribution to UNESCO to fund the conservation and restoration of cultural complexes in Vietnam's central city of Hue. Japan is the biggest overseas development aid donor to Vietnam.

Mauritian Foreign Minister Arrives for Visit

BK2309134594 Hanoi Voice of Vietnam in English 1000 GMT 23 Sep 94

[Text] The foreign minister of Mauritius, Dr. Ahmud Swaley Kasenally, arrived in Hanoi on Friday for a six-day visit. The visit is to strengthen bilateral ties and promote relations between the Francophone community and Vietnam.

Ministry Working on Rules for Foreign Offices

BK2309151294 Hanoi VNA in English 1255 GMT 23 Sep 94

[Text] Hanoi VNA September 23—The Ministry of Trade is now completing draft regulations on the establishment and operation of foreign branch offices in Vietnam, due out in October.

This statute stipulates that the following types of foreign companies will be allowed to apply for licenses to open branches in Vietnam: those licensed to cooperatd or enter in joint ventures involving production in Vietnam those involved in exporting goods from Vietnam but not importing goods into Vietnam and companies specialising in commodities essential to Vietnam's economic and commercial development, companies providing services such as aviation, banking, legal consultancy, accounting, insurance, supervision and warehousing.

Branch licenses will be valid for an initial period of five years and extendible for another five-years. They will be subject to a fee equal to one per cent of the capital attributed to the branch, at a minimum of USD 10,000.

Branches involved in business activities will be subject to taxation as stipulated by Vietnamese law and will have to pay 10 per cent of any remitted profits.

The statute also stipulates penalties for violations, specifying fines of up to USD 100,000 for those operating a branch office without a license.

Papua New Guinea

Bougainville Peace Force To Assemble in Australia

LD2509101194 Melbourne Radio Australia in English 0800 GMT 25 Sep 94

[Text] The South Pacific peacekeeping force to be deployed on the troubled Papua New Guinea island of Bougainville will begin arriving in Australia tonight for final preparations before their deployment. The force, made up of contingents from Vanuatu, Fiji, and Tonga, will secure the town of Arawa during talks between the Papua New Guinea Government, the Bougainville Revolutionary Army, and the island's rebel-backed interim government. The troops will assemble for training at the Australian army's (?Vavarac) barracks in Townsville conducted by instructors from New Zealand and Australia. Australian defense force spokesman Brigadier Adrian (Dajay) says the peacekeepers will arrive in Townsville over the next few days:

[Begin (Dajay) recording] A Royal New Zealand Air Force C-130 Hercules transporter is bringing in the Vanuatu crew of about 50, and they will arrive at midnight tonight. And then tomorrow a Royal Australian Air Force 707 will take off for Tonga. There's about 135 peacekeepers coming back by tomorrow night. And similarly two Royal Australian Air Force 707s will transport the Fijian contingent back—about 235 personnel. About 430 personnel all up, and the arrival time of the Fijians is yet to be confirmed. [end recording]

Bougainville Leader Meets Australian Officer

BK2609101694 Melbourne Radio Australia in English 0500 GMT 26 Sep 94

[Text] The Australian military officer in charge of logistics for the Bougainville Peacekeeping Force, Brigadier General Peter Abigail, has had a jungle meeting with the Bougainville rebel supreme commander, Francis Ona. Mr. Ona requested the meeting, which was also attended by three colonels from Tonga, Fiji, and Vanuatu. The colonels will be leading their men in the Pacific islands peace force which is to be deployed on Bougainville next month. Sean Dorney reports:

[Begin Dorney recording] It is the first time Francis Ona, who declared himself president of the Independent Republic of (Makamelian) in May 1990, has attended any sort of a peace meeting. Brig. Gen. Abigail and the colonels from Tonga, Fiji, and Vanuatu flew by helicopter into Supuru village in the foothill southwest of Arawa to reassure Ona that the peace force was neutral and that they would guarantee his safety at the peace conference planned for 10 October at Arawa. While the meeting went well, I understand the secessionist leader is still holding out the United Nations endorsement of the peace process. [end recording]

Vanuatu

Coalition Party To Back Opposition in Elections

BK2509075694 Hong Kong AFP in English 0535 GMT 25 Sep 94

[Text] Port Vila, Sept 25 (AFP)—The junior partner in Vanuatu's coalition government announced Sunday it would support the opposition in upcoming provincial elections.

The People's Democratic Party (PDP) said that while it had not decided to step down from the government it could no longer accept violations of its coalition agreement with the ruling Union of Moderate Parties (UMP).

PDP official Albert Leodoro said the decision followed UMP's refusal to "cooperate with PDP in the forthcoming provincial elections" due November 15.

Leodoro said the break, which he described as "very regrettable," followed a dispute over the sharing of seats in the six provincial councils.

The PDP also failed to reverse recent UMP-led government decisions to sack some of PDP's prominent members from managerial positions in major state companies.

"It is a hard decision but there was no alternative," Leodoro told AFP. "We hope negotiations with the opposition will turn out well."

Leodoro said his party had no immediate plans to end its government coalition agreement with UMP, signed in May 1994. "It is a step we have not taken yet," he said.

The 21-seat UMP holds government with Prime Minister Maxime Carlot in coalition with the four-seat PDP and the single-member Nagriamel Party in the 46-seat parliament.